PRESERVED

1943 47-42 Serial No.
(Legis)

Previous references.

Later references.
WD. 60-43.

28

Office of the Secretary to the Representative Assembly and Legislative Council

Manuscript
"B" Feb 1943

SUBJECT.

re War Risks (Factories) Insurance Act 1943

To.

re compiler, Mysore Gazette
Order No RL730-Legis 47-42-1 dated 18/19-1-43
orders the publication of the Act as Act No.
VII of 1943

WD 04023—GPB—1,000—12-9-41

Re War Risks Goods Insurance

General and Revenue Secretariat | G.F File No. 22 of 1941. | [App. F. III-2

Serial No.

From

Messrs N.Y. Pissay and Co
Stock, Share, and Finance
Brokers
Bangalore

Letter dated 2-2-1942
Suggesting the need for the
promulgation of an Ordinance
on lines of the War Risks (Goods)
Insurance Ordinance, 1940

1) The advisability of the
introduction of the above legislation
in Mysore was considered in October
1940 and Govt were of the
opinion that the circumstances did
not warrant the introduction of
such a measure.

2) The original collection
where the introduction of the above
legislation was dealt with formerly
is put up.

Legis 20-40-1-2
Flag D

3) Similar suggestion for the
introduction of the above measure
has been received from the Secretary
the Mysore Chamber of Commerce

Vide
Linked File.

4) Subd for orders.
Ks
5/2/42

NOTE—Cont. Sheet.

WD 04155—GPB—55,000—23-10-41

Serial No.

5) Subd with P.P. Simultaneous action is being taken in the Legis. section on a representation in the matter from the Mysore Chamber of Commerce addressed to the Law Secy. to Govt. they would P.P. immediately - vide linked file. If appd. these papers (with the linked file as well) may be transferred to Legis. Section for necessary further action in consultation with the F/D in the usual course. 678 R.L.

By 6/2

6) The Govt. of India have already passed an Ordinance re: Insurance of Commodities against War Risks, and enquired of us if we would be willing to introduce legislation on similar lines & if so whether we would prefer that the Govt of India should receive premia & carry the risk. A reply was sent that this Govt. did not consider that there was any immediate need for such legislation here.

7) The Govt of India are now contemplating legislation re: Insurance in respect of Factory Buildings etc. Regarding this, we have to wait and see the exact scope of the legislation that would be undertaken in Br. India.

War Risks Insurance Scheme (Goods)

2977/se

General and Revenue Secretariat | C/ File No. 221 of 1941. | [App. F. III-2

Serial No.

8) From a financial point, it is for consideration whether in the event of our undertaking similar legislation ~~it may not prove~~ it would not be preferable to allow the Govt of India to receive the premia and carry the risk.

(The Law Dept. may take up the question.)

GOC 6/2

Dy Sec

9) If this scheme is also to be introduced in respect State, it should be for the present as in Br India, in respect of 'goods' only and as per some details given in Times of India's cuttings, it will have to be compulsory if the value exceeds Rs 1,000 + so on.

H.C.

10) In para 2 of Residency Letter dt 26th Sep 40, ~~it~~ has been ~~seem~~ hope given to this Govt to receive the premia + to carry the risk also. If this is agreed to by the Govt of India, it is better, I think, to work up the whole scheme as part of the Insurance Deptt or Secretariat Deptt.

H.B

Dy Sec 6/2

11) Please put up the Residency Letter of literature

put up

NOTE—Cont. Sheet.

W.K.

WD/C4155—GPB—55,000—23-10-41

2977 ✓ 3244 ✓ 3335

War Risks Insurance (Goods)

G. F File No. 221 of 1941. | General and Revenue Secretariat

Serial No.

From

The Secretary to the Hon'ble the Resident in Mysore, Bangalore

Letter No F 89-40(2)/W dated 24/2/42

Forwards a copy of the War Risks (Goods) Insurance Ordinance, 1940 and the Rules made thereunder.

12) The connected literature on the above subject received from the Insurance Dept is also put up.

13) A draft acknowledging the receipt of the literature from the Residency is put up (vide H.L. Secy's orders on the P.U.D.)

(Withdrawn may move Gol 25/2

Rs 25/2 R 2/25/✓

15) So far action has been taken in Bor. India only in regard to Insurance of "Goods". The literature received from the Residency, as well from Mr M.S. Narasimha Sastry now in Bombay, is put up below for perusal.

16) From the statements in newspapers it is gathered that ~~the question~~ ~~Scheme~~ of extending the scheme to Factories & plant etc (but not to ~~private~~ house property etc) is also under consideration, but no final decision seems to have been reached yet.

Serial No.

16) So far as extending the benefits of the Schemes to Mysore State is concerned, I feel it would be safer to allow the Govt of India to receive premia and carry the risk, rather than our starting an independant Scheme. The situation is getting more anxious day by day, and the risks involved are now heavier than when the Scheme was first introduced by the Govt of India They might have accumulated amounts already collected (in better times) and not spent. After this point is settled, further action may be taken by the Legislature or War Sections.

(Vide letter to me ans)

GDA 25/2

17) Some general points re scheme in Britain are indicated in Times of 23rd. cutting (H.E.). G of I have since sanctioned the extension to Plant etc of Factories, as seen in Newspapers but details are not yet available. JLS) JLS 25/2

18) Issue of resolution for

ASD 26.2.42

INDIA OFFICE 27 FEB 1942 TEN. REV. SECTT.

NOTE—Contn. Sheet.

WD 04155—GPB—55,000—23-10-41

War Risks (Goods) Insurance

G) File No. 221 3325 of 1941. | General and Revenue Secretariat.

Serial No.

To

The Secretary to the Hon'ble
the Resident

No Pol 1612 dated 27-2-42
Acknowledges the receipt of the
copy of the War Risks (Goods)
Ordinance of 1940.

19) Resubmitted for orders (Vide para 18 supra)
Ks. vide also the linked file & para 5 of the foregoing notes.
27/2
B/27/2

GOR
27/2

Dy Sec

JLJ
27/2

HSJ

OFFICE OF THE DEWAN OF MYSORE

ORDERS

OFFICE NOTE

20 Copies of the Government of India Ordinance (War Risks Insurance Ordinance) of August 1940 and the rules framed thereunder are kept in the file. This Ordinance covers only certain goods, but it is understood that the Government of India are at present considering the question of extending the scheme to some factory buildings and plant and equipment therein, and a decision may be expected soon.

21 The scheme has not been extended to the States owing, presumably, to the absence of a general desire on the part of the States to participate in it. On a reference received from the Residency in September 1940 enquiring if the Government of Mysore would be willing to introduce legislation on the lines of the Ordinance, a reply was sent as follows:

> " Government do not consider that the present circumstances in Mysore warrant the introduction of such a measure immediately. They will, however, review the position some time later and consider the question of the enactment of such legislation if conditions warrant it. "

22 Meanwhile, the merchants in Mysore and the Mysore Chamber of Commerce have represented the need for promulgating a War Risks Insurance Ordinance in Mysore, on the lines of the Government of India Ordinance, to cover commodities, factory buildings and goods.

3-3-42

23

Even the new scheme proposed by the Govt of India appears to be limited in scope. I understood in Delhi that it could not be extended to Indian States unless a large number of them were prepared to join in it. Most of the States in N. India appear to be unwilling to do so. The question is whether it is possible for the State itself to have a separate scheme and whether the resistance could be overcome. Efforts ought to make it worth considering.

Jan Lay)

RLL
4/3/42

General and Revenue Secretariat | File No. | of 194 . | [App. F. III-2

Serial No.

24) As instructed by the Dewan, a draft is put up requesting the Resident to support and recommend the case of the Government of Mysore to the Government of India for inclusion of Mysore in the Scheme of War Risk Insurance for goods, Factories etc.

25 After issue of the draft, the case will be worked up on the lines mentioned at "A" and submitted for orders. 4.3.42

Dewan)

4/3/42

26) The letter may issue under Chief Secy's signature. The file may kindly be submitted to the Law Member for information.

Chief Secretary with Copy) 5.3.42

27) Submit for perusal.

Law Minister & Rev. & Fin. Minister. 6/3

28 9-3-42

29) 7CC 11.3

30) Three prompt copies received 7/3

7/3/42 JDJ 13/3

31) The reply received

Issued No Pol 1682 dated 7-3-42 to the Residency.

CHIEF SECRETARY 6 - MAR. 1942 GOVT. OF MYSORE.

OFFICE & REVENUE -9 MAR 1942 No.....5447

MAR 7 1942 8905

OFFICE MAR. 1942 7586

3574 To Resident No. F 89-4(2)/W dated 12-3-42 from the Resident regarding War Risks (Goods) Insurance.

NOTE—Cont. Sheet.

WD 04165--GPB—55,000—23-10-41

3335 ✓ 3574

War Risks (Goods) Insurance.

G.I. File No. 221 of 1941. | General and Revenue Secretariat

Serial No.

from the Residency regarding the War Risks (goods) Insurance is put up. They ask that it is open to the Govt of Mysore to have a Scheme similar to War Risks Insurance of Goods if they necessary.

Subd for orders.

Subd for orders as per Refce paras 4 & 5 above

Ks 16/3

By 16.3.

? Para 4 of Draft letter refers only to insurance of immovable properties for which Govt of India are not taking action & want States to take action necessary. I do not think it refers only to immovable property as it is a new para & also the word 'Schemes' is used. JL 18/3

32) The Residency letter, d. 12.3.42, is not in reply to our letter d. 7.3.42 (in which we have requested that the Mysore State may be included in the War Risk Insurance Schemes introduced in Br. India), ~~the point raised in the present letter is dependant on~~ but is an independant reference.

33) The properties in respect of which War Risk Insurance is being urged by the public, from time to time, appear to fall under three categories

(i) Insurance of Goods (for which there is already a Scheme in Br. India)

(ii) Insurance of Factories

(iii) Insurance of private immovable & h- property.

3574
Pl

General and Revenue Secretariat | File No. | of 194 . | [App. F. III—2

Serial No.

Pl. M.

Re: (i) & (ii), Insurance of Goods & Insurance of Factories, we have addressed the Residency on 7.3.1942 intimating that we would like the Govt of India Schemes to be extended to this State also and a reply to this ~~to~~ may be awaited

Re: (iii), the Govt. of India feel unable to introduce any all-India legislation in the matter, and are advised that "it is impracticable to cover such risks to immovable property by an insurance Scheme", and suggest that ~~that~~ Provincial Govts. may introduce Schemes of "Contribution & Compensation" if they consider necessary. The point for consideration is whether the Mysore State ~~need~~ are to undertake such a Scheme of their own. Perhaps it ~~to~~ may be advisable to await the Schemes, if any, that may be introduced by any of the Provincial Govts in Br India (or Indian States) before moving in the matter. For the present, the participation in the Govt of India Schemes re: Insurance of Goods & of Factories ~~may~~ (if they agree to take us in) may do. ~~Without a knowledge of the degree of risk involved, or the action taken by~~

DFS 18/3/42

CPR

We have no data at ~~to~~ proceed with, nor a knowledge of the degree of risk involved. If some other Govts in Br India work out schemes, we may be in a position to consider the question

CPR

NOTE—Contn. Sheet.

WD 04155—GPB—55,000—23-10-41

War Risks Insurance Scheme

G.F. File No. of 194 . | General and Revenue Secretariat. | Serial No.

34) From para 4 of the latest letter from Residency of 12-3-42, it looks as if Govt of India desire that neighbouring Govt may have schemes of their own instead of being mixed up with those of Govt.
~~They~~ There are certain advantages to Rulers of Govts, in both the methods.

35) Any further action in regard to the letter of 7th March has to be awaited before further action can be taken either in matter of reply proposed for.

Hgl Sd. 18/3/42

From the Residency No. F.89-40(2)-W dated 9.4.42 intimates that the Govt of India state that as no kind of unanimous desire to join was shown by States in general, they cannot extend ~~to~~ their Schemes to any single State.

38) In this office letter d. 7.3.1942 the Residency were informed that "this Govt. will be glad to participate in the War Risk Insurance Scheme introduced by the Govt of India and to be introduced hereafter ..." the Govt. of India receiving the premia & carrying the risk.

Serial No.

37) The reply now received from the Residency indicates that the Govt of India are not prepared to include this State within the scope of operation of their Schemes. This is in accord with what they stated in paras 2 & 3 of Resy. letter d. 26.9.40, wherein it was mentioned that the Govt of India were "not prepared to extend their Scheme to the States unless there is a fairly general desire on the part of the States to participate". As such a desire was not evinced, we cannot participate in the same

38) The question now for consideration is whether this Govt. need have an independant Scheme. Of the three types of War Risk Insurance, the Govt. of India themselves have ~~not taken any general action regarding the third type (ordinary immovable property) and have left it entirely to Provincial Govts.~~ taken general action only in respect of the first & second types i.e War Risks (Goods) & War Risk of Factors plant & machinery. Their Schemes appear to cover not only ~~this~~ damage caused by the enemy, but any loss caused by destruction

(1) War Risk (Goods) Insurance
(2) War Risk Insurance of Plant & machinery of Factories
(3) —do— of immovable property

NOTE—Cont. Sheet.

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Serial No.

of property (under instructions of ~~the~~ Govt of India) so as to avoid its being of use ~~in~~ to the enemy. Whether we need undertake local legislation on similar lines is for consideration. An Insurance Scheme can be worked on a reasonably low premium basis if the risk is distributed ~~over~~ over a long period and wide area. In this instance, the ~~risk~~ risk seems to be particularly concentrated ~~to be concentrated~~ in some special areas and the danger to be provided against is proximate. It would be difficult to estimate what premium, ~~would~~ under such circumstances, can be expected to cover the prospective risk; and what would be the financial implications that the Govt ~~would be~~ might be faced in this connection. We have, so far, no example of any other Indian State taking action.

39) As regards the third type of War Risk i.e damage to immovable property, the Govt of India themselves have not taken any general action & have left the matter to local Govts.

War Risks Insurance

General and Revenue Secretariat | G. & F File No. | of 194 . | [App. F. III-2

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they consider that "this is not technically insurance - but a scheme of contribution and compensation", and any scheme in this behalf would have to follow the United Kingdom War Damage Act, 1941. Until any of the Provincial Govts. in Br. India move in the matter, we may perhaps defer action in this respect.

40) If the ~~question~~ a decision is reached re: desirability of undertaking legislation there, ~~and~~ the ~~re~~ further action to be taken may be pursued in the Legislative Section.

GA
13/4

DFSq

41) Legislation re (I) & (II) in respect of War Risks Insurance (Goods), and (Factories) has to be introduced very early on the lines in Govt of India, before further details can be worked out either as part of Finance Dept. or State Life Insurance Office. This may be passed on to Law Dept. which is, perhaps, already taking action to introduce either an Ordinance or an Act

DFSq — JWS
13/4

NOTE—Cont. Sheet.

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File No. 221 of 194/ . General and Revenue Secretariat

Serial No.

42) Draft to Residency put up as personally directed

15/4

8997

43) Fin Sec Draft put up in consideration as per in Sheet yesterday. 15.4.42

Law Mr)

Finance Mr)

Dewan)

44) Revised Draft as per further in Sheet is put up. Draft letter also to Sir C.P.R & Mr Dixon to issue under Dewan's signature are put up for Consideration. [As regards the financial aspects, figures are being collected in case the Govt of India decide to contribute to Scheme & we have to help our nationals in addition to our own industries. So that the exact or approx. implications may be understood. No Ordinance of Br India is not available but what is available in the Cutting of the Hindu" gives a rough idea of what is contemplated. I wish to first study the ordinance before I venture to offer any opinion or whether mining industries & Electrical undertakings of the public utility concerns can be expected to be covered by the Scheme.

Dewan)

15.4.42 17/4

HK

On. The Hindu cutting refers to 80% of damage, while the Govt of India cutting refers to 50% damage. This will be further verified

16/4/42

H 4323

General and Revenue Secretariat | G. F File No. 221 of 1941. | [App. F. III—2

Serial No.

To the Secy. to the Resident
No. Pol. 2002 d. 23.4.1942.

45) Draft letter to Residency ~~approved~~ ~~Council~~ issued.

DEWAN'S OFFICE
23 APR. 1942
NO 9203

46) D.S.N. put up as per order of the Dewan on the draft.

23.4.42.

Further 47 Dr S.N Subba
24.4.42

Dewan
Thro' Chief Sec

CHIEF SECRETARY
24 APR. 1942
OF MYSORE

48) 24/4
24/4/42

NOTE—Contn. Sheet.

WD 04155—GPB—55,000—23-10-41

Submitted to His Highness.

49) A scheme for the insurance of goods in British India against damage by enemy action was introduced by an Ordinance called the War Risks (Goods) Insurance Ordinance promulgated in August 1940. An enquiry was subsequently received from the Government of India as to whether the Government of Mysore would be willing to introduce legislation on the lines of this Ordinance here and if so, whether they would prefer the Government of India to receive the premia and carry the risk to undertaking this responsibility themselves. The Government of India were informed that we had then no intention of introducing such a measure but that we proposed to review the position some time later.

50) Recently, a scheme for the insurance of factories also in British India against war risks has been introduced. An important feature of the scheme is that damage resulting from destructive measures taken by, or under the orders of Government, with a view to denying facilities to the enemy, will also be covered.

51 In view of the change in the war situation in recent months occasioned by the extension of the war to the Far East, it is considered desirable at present that the War Risks Insurance Schemes referred to should be extended to the State as well, and representations urging this course have also been received from the Mysore Chamber of Commerce and other public bodies in the State. Considering the magnitude of the industrial interests in the State and of the risks to be covered, the introduction of independent schemes by us, confined only to the State, would be beyond our resources. The Government of India were, therefore, approached in March last with the request that this State also might be included within the purview of their schemes. The Government of India have, however, replied that as no kind of unanimous desire to join was shown by the States in general, they are unable to extend their schemes to any single State.

52 From a telegram received by me from Bhopal, it is understood that that State is in favour of participating in the Government of India's schemes and it is likely that some other States may also be willing to join. Further, whatever might be the case with other States, there are certain circumstances peculiar to Mysore which entitle the State to claim special consideration in

this connection. The military establishments, which were hitherto confined to the Civil and Military Station of Bangalore have now spread into the City and the surrounding area within the State jurisdiction. The headquarters of important Military and Air Commands have been located in the Bangalore City and a large War Prisoners' Camp has been established in the vicinity. As a result of this concentration of military activities and objectives, the liability of this area to enemy attack has increased. Besides, a large number of industrial concerns in the State is engaged in the manufacture of war supplies and in the event of its becoming necessary to adopt a "policy of denial" (as suggested by the Military authorities) the damage to these industrial undertakings may be considerable.

53) A further reference has therefore just been made to the Government of India urging these considerations and pointing out that it would be unfair to the Mysore Government that the State should be excluded from the War Risks Insurance Schemes which have been introduced in British India, or that the State should be expected to have its own schemes for this purpose. It has also been urged that if owing to legal or other difficulties the Government of India find it not possible to extend their schemes to the State, they may accept, in principle, their liability to make good any losses sustained by the State or by owners of properties (including factories and public utility undertakings) as a result of enemy action or as a result of measures adopted at the instance of the Military authorities with a view to denying facilities to the enemy, the liability in each case being limited to the extent to which such losses would be compensated in British India.

54) Since forwarding the letter referred to above to the Residency, the Hon'ble the Resident has sent me a letter enclosing a note on the discussion held on March 18 at New Delhi between the Commerce Member and certain Princes and representatives of the States on the subject of the participation of the States in the Government of India's War Risks Insurance and Factories Insurance Schemes. The note raises issues which are being examined.

Meeanwhile,

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Question of extending to the State the War Risks Insurance and the Factories Insurance Schemes of the Government of India.

Order.

4.6) SW.
27/4/42.

No. 845

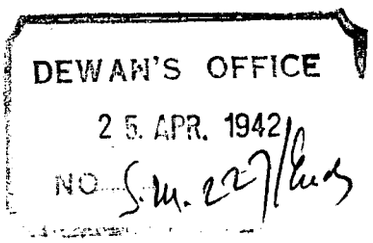
4.7) Chief Secy
Secy
29/4/42

27/4

Bangalore,
24th April 1942.

DEWAN'S MINUTE

FILE NO. 194



I attach D.O. letter No. 89-40(2)/W. dated 24th April 1942, received from the Hon'ble the Resident forwarding a Note on the discussions held at New Delhi between the Hon'ble the Commerce Member and some Princes and representatives of States on the War Risks Insurance Scheme and the Factories Insurance Scheme, with a copy of the Note. The case may be worked up quickly after consulting the Chamber of Commerce.

DEWAN.

54) Financial Secretary)

Serial No.

WAR RISKS INSURANCE.

55) Refce: Dewan's minute, d. 24.4.42.

P-A-I

In the Resident's letter dated 24th April 1942, it was said, after a review of the position in the light of the latest developments in the War situation, that it is considered that immediate action is necessary in the matter of War Risks Insurance. The note (received as an) enclosure to that letter relates to discussions at a meeting held on 18th March 1942 i.e., a month earlier, and the developments referred to in the covering letter must be those subsequent to the discussions.

56) We have, however, already moved in the matter without waiting for any reference from His Highness the Chancellor. On 23rd April 1942, a letter has been addressed to the Residency reiterating our previous request that the Mysore State should be permitted to participate in the Government of India Scheme in view of the peculiar position occupied by this State - both in respect of the growth of military interests in the State area as well as the special efforts made by institutions here to aid the War effort. So we have already taken a definite stand favouring the first of the alternatives referred to in para 4 of the notes of the Delhi meeting, envisaging a common fund for British India and the States, the responsibility for paying compensation resting with the Central

(File Separately Submd. to H. H.)

NOTE—Cont. Sheet.

WD 04155—GPB—55,000—23-10-41

P.T.O.

Serial No.

Central Government. The Cochin Government ~~has~~ is apparently inclined to join issue with us (Vide Flag) A reply to our communication may be awaited in the meantime.

A reply has since been received from the President intimating that he is not forwarding our letter d. 23.4.42 to the G.O.I., until he hears further from us; any additions we may make H.T 10/

57) Some of the other points that would arise in this connection may be referred to:-

I. Goods Insurance. X

Higher rate of premium to be charged in case the States are to join now. Y See also P.W.D

(1) In the notes of discussion at the meeting on 18th March 1942, it was pointed out that inasmuch as the Goods Scheme had been functioning for the last 18 months in British India on a compulsory basis and a fund had already been built up there, if the States join in now, they will have to pay a higher rate for some time so as to put them in an equal position with the insured in British India. There appears to be some force in this view, and if any definite proposals are made in this connection, we may consider them. As insurance seems compulsory only in cases where the value of goods owned by a person exceeds Rs. 20,000, the number of local merchants (apart from whole-sale dealers who act only for working trade interests in British India) insuring under the Scheme may not be very many. This question requires to be discussed with the Chamber of Commerce also.

Re: Cover for Goods in transit.

(2) The question whether Goods in transit through places in India to which the Scheme did not extend, were covered or not, was not definitely answered at the meeting.

P.T.O.

The Commerce Member said that it was a matter which required consultation with the Legislative Department. The question is, however, one of interest to persons here as well as in British India and can only be solved by a common understanding and legislation on an all-India basis. The wishes of the Chamber of Commerce also may be ascertained on this point.

Re: Factories Insurance.

Re: K.G.F. Mines

(3) The Scheme applies to factories coming under the Factories Act as gathered from abstracts of the Ordinance published in the papers. Mines are specifically excluded from the purview of the Factories Act and I thought that the K.G.F. Mines would not come under the Scheme. From a fuller abstract given in a Bulletin, issued by the Employers' Federation of India, it is, however, found that the Central Government may, by notification in the official Gazette, declare that the provisions of the Ordinance shall also apply to the insuring of "the machinery above ground appertaining to mines, as defined in the Indian Mines Act, 1923." In virtue of this provision, if the Scheme is extended to the State, the Central Government may admit the K.G.F. machinery above ground to the Scheme. The Registrar of Joint-Stock Companies gives the value of the K.G.F. factories (× plant & machinery etc.) at Rs. 2,33,86,200, but what part of this total relates to investment on

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machinery above ground. is not known.

(4) In the Government of India Ordinance, factories belonging to the Crown" seem to be not required to be insured under the Scheme. Whether the Mysore Government Factories (The Mysore Iron and Steel Works, Government Electrical Factory, etc.) could come under the Scheme, if extended to the State, requires examination. While passing the necessary legislation here, extending the Government of India Scheme to the State (if agreed to), the question may be considered and needful action taken. Whether the Government of India would have any objection to these concerns being insured under the Scheme and whether we need ask them to permit us to do so is also for consideration.

Mysore Re: Government Factories. H.Q

(5) It is difficult to get accurate data regarding this point from readily available sources. ~~Data~~ obtained from the offices of the Registrar of Joint-Stock Companies, and of the Labour Commissioner are put up herewith. These ~~are not~~ do not seem, however, ~~to~~ to furnish a very reliable guide for this purpose. On the basis of figures given in the Registrar's statement, it is understood that, excluding the K.G.F. Mines, the invested capital of the Companies in the State amounts to an aggregate of about Rs. 232 lakhs. In the Labour Commissioner's statement reference is made to some more factories the capital investment of which would come to about Rs. 20 lakhs. There may be several other minor

Approximate value of Factory assets that may be insured.

Lists H. E & F E F

P.T.O.

factories not mentioned in the statement the capital of which may amount to Rs. 50 lakhs. A statement is also put up showing the amount of capital invested in industrial concerns run by Government (the Mysore Iron and Steel Works, Electric Factory, etc.) and the aggregate of these comes to about Rs. 200 lakhs. Roughly, the figures of investment are as under:-

1. Private Concerns. (About) Rs. 3,00 lakhs.

2. Government Concerns Rs. 2,00 lakhs.

The premium realisable in respect of the private concerns at 2% per annum would be about Rs. 6 lakhs. If this Government undertakes a separate and independent Scheme, our Government factories may not be insured, but if we are admitted to the Government of India Scheme the premium payable on Government Factories would be Rs. 4 lakhs per annum. (We do not know how much of the K.G.F. machinery and plant would come under the Scheme). All things considered, it does not seem to be advisable or advantageous to us to undertake independent responsibility for safeguarding this and this view has already been acted upon.

60) The Chamber of Commerce also may be consulted in regard to the proposal of charging a higher rate of premium for Goods to be insured, covering the risk in respect of goods in transit and any other matters deemed necessary. This may perhaps be done at a

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meeting that may be convened for the purpose.

61) The questions involved relate to the interest of Trade and Industry, and I beg to suggest that the case may be further dealt with by the Development Secretary consulting the Finance Department both in regard to aspects that may affect Government's working results or our liabilities. I have not included in my calculation the Hydro-Electric Works and the Railways both of which do not come within the purview of the Factories Act though they are really quasi-commercial public utility undertakings.

29.4.42

Dewan ?

62) I shall be glad if the Minister for Finance & Revenue will kindly arrange to meet representatives of the chamber of commerce and other organizations interested in these schemes and formulate proposals

OFFICE OF THE MINISTER FOR FINANCE & REVENUE 30 APR. 1942 No. 6553

30/4/42

62) will please speak to me about this.

1/5

63) Draft submitted as per Dewan's instructions

4/5/42

Dewan

Serial No.

Telegram d. 1.5.42 from the Hon'ble the Commerce Member.

OFFICE OF THE MINISTER FOR FINANCE & REVENUE
8 MAY 1942
No. 6854

6 & 7) As per instructions of the Dewan communicated in the Private Secretary's note, d. 3.5.1942, Drafts of a telegram to the Commerce Member and of a letter to the Hon'ble the Resident are put up.

(The Resident has not forwarded our letter d. 23.4.42 to the Govt. of India, pending our further comments with refce. to his letter d. 24.4.42. Perhaps no further comments are necessary in view of telg. now recd)

Fen Ly — CJA 4/5

65) Put up typed Drafts

AD 4/5/42

66) Draft telegram approved by Council has been issued.

X

As instructed D/s to the Hon'ble the Commerce Member & the Resident are put up

Vide Dewan's order H.D.

Dewan — AD 4.5.42

The letters to the Hon. the Resident & the Hon. the Commerce Member, sent after being approved by the Council

5.5.42

67) Seen

5/5/42

AD 5.5.42

NOTE—Contn. Sheet.

WD 03967—GPB—5,000—30-8-41

67 For perusal

8/5/42 Dewan — CJA 7/5. Min. Fin & Rev) — WD 8/5 CJA 8/5/42

Secy — Dy. Secy — Under Secy — Asst. Secy — WC

Arrangement between Govt of India & Mysore Re: the War Risks (Factories) Insurance

General and Revenue Secretariat | C.P. File No. 221 of 1941. [App. F. III-2

Serial No.

From

The Additional Deputy Secretary to the Govt of India Department of Commerce

Letter No 35-W.R.I.(1)/42 dated 19-6-42

States that, subject to certain conditions, the Govt of India are agreeable to extend the Operations of the Scheme under the War Risks (Factories) Insurance Ordinance No XII of 1942, to Mysore.

2) The letter does not refer to the Extension of the Scheme under the War Risks (Goods) Insurance Ordinance, to Mysore

3) For the operation of the Scheme referred to in the above letter, two conditions are said to be necessary

(1) Amendment of the Govt of India War Risks (Factories) Insurance Ordinance so as to be applicable to the States

(2) The promulgation of a corresponding legislation in Mysore

NOTE—Cont. Sheet.

WD 04155—GPB—55,000—23-10-41

File No. of 194 . | General and Revenue Secretariat

Serial No.

72) Re (1).

Necessary steps are being taken by the Govt of India in this behalf.

73 Re 2.

Corresponding legislation in Mysore.

The drafting of the law with the modifications suggested by the Govt of India may be undertaken by the Legislative Section.

~~(2) Before undertaking the legislation, the following special features of the Scheme may be to be kept in view~~

Institution of a Common Fund for both Br India & Mysore.

~~(2)~~ The Govt of India Scheme applies to 'factories' as defined in the Factories Act, 1934. The definition of the words 'factories' and 'occupier' ~~to be~~ have suitably amended.

as defined in the Factories Act, 1934

Serial No.

may have to be adopted, in case it is not done, in Mysore. This may be done in consultation with the Dev. Sectt.

(3) The contract of Insurance is between the persons in Mysore & the Governor-General.

Therefore, the Rules framed in British India, from time to time, apply to Mysore. Any person authorised for any of the purposes of the Ordinance in Br. India, such as Insurance Companies acting as Agents, Loss Assessors, etc. will have to be authorised by our Govt. for the same purpose. This may be done by it is also open to the Govt to authorise additional officers, if necessary.

(4) After the enactment of the necessary legislation, necessary notification re: the date from which the law comes into force may be issued as suggested in the P.U.D.

A copy of the act it may be sent to the Govt of India as desired by them.

NOTE—Cont. Sheet.

WD 04155—GPB—55,000—23-10-41

Arrangement between the Govt of India & Mysore Re: War Risks (Factories) Insurance of 1941.

F File No. 2 21

General and Revenue Secretariat

Serial No.

5) Factories owned by the State situated in the State are exempted from the operations of the Ordinance.

It is open to the State to insure, if desired, the State owned factories, by the State undertaking to pay the premiums. It may be stated that this involves a heavy ~~(illegible)~~ sum & it is for the Govt to decide whether it is necessary to in the interests of Govt. May a

The Development Secretary may be consulted in this matter.

(6) The Govt of India desires that, before the extension of the Ordinance to Mysore, it is necessary that this Govt should give an undertaking to preclude the suing the Govt of India, who is the insurer, in the Courts of Mysore.

We may have to agree to the above condition as laid down in para 6 of the letter.

Submitted for orders

Ks
24/6

Serial No.

War Risks (Factories) Insurance

75) In Dewan's telegram d 4.5.42, we intimated our willingness to join the Govt of India Schemes re: Insurance of Factories as well as of Goods. They have now communicated assent to admit the State to the Factories Insurance Scheme and immediate further action has to be taken

The points for action by us are briefly indicated below: —

(1) Passing of legislation here immediately extending the provisions to the State.

(2) To decide if the State owned factories need be insured.

(3) To give an undertaking effectively to preclude the suing of the Govt of India (qua insurer) in the Courts of the State, vide Para 6 of P.W.D.

(4) After the legislation is passed here, to send a wire to the Govt of India intimating the same & send a copy of the Act

(5) After the legislation is passed, to issue a notification fixing the date before which all the Factories should insure — not later than May 31-8-42

(6) Advertise the provisions widely.

NOTE—Cont. Sheet.

WD 04155—GPB—55,000—23-10-41

War Risks (Factories) Insurance

File No. 221 of 1941. | General and Revenue Secretariat

Serial No.

76) Action re: points 4, 5 & 6 has to be taken later after the Act is passed. ~~The points~~ Immediate action is called for regarding the other points.

77) Re: Legislation, a copy of the Govt. of India letter & annexure may be sent immediately to the Legislative Section for drawing up an Ordinance on the lines suggested. The Govt of India have even indicated the lines on which it is to be done & ~~how~~ the draft ordinance can be readily drawn up. Point (1) for orders

78) In the meantime, a decision may be arrived at as to whether the State owned factories need be insured, and this decision may be incorporated in the draft Ordinance before it finally issues. The capital invested in our State Factories may roughly amount to about Rs 2 crores (excluding Elec works) J. G. (Para 58 of 14) Point (2)

(excluding Hydro Electric works which do not ~~Need to come under~~ "Factories" ~~for the last of~~ ~~factories~~ ~~the Ship Yard~~ ~~what the B.P.L. & P.A. etc are included~~ ~~the Sivasamudram~~

A reply may be sent at once to the Residency that we are taking immediate action to pass the necessary Point (3)

5330

War Risks (Factories ~~Insurance~~)

(4)

General and Revenue Secretariat | C. F File No. 221 of 194 . | [App. F. III—2

Serial No.

legislation on the lines indicated, and also giving the undertaking "effectively to preclude the suing of the Govt. of India (Qua insurer) in the Courts of the State." As regards this undertaking, it is for consideration whether a mere intimation of ~~the~~ this by letter would satisfy requirements or whether any other more formal action is also necessary.

7) A list of factories coming within the meaning of Cl. 7 of Sec. 2 of the Govt of India Factories Act has already been sent separately.

Hag W.

The question may perhaps have to be pursued in the Dev. Secrett., in consultation with Leg. Secn.

GPB
24/6/42.

Dy Secy)

8) Re point (7), I think it is necessary that the State-owned factories also are brought under this scheme, as they are subject to the same amount of risks & damages in time of emergency, though this involves heavy payments towards ~~H&S~~ premiums which may be debited to Defence eventually.

JHJ
25/6/42

H&S)

NOTE—Contn. Sheet.

WD 04155—GPB—55,000—28-10-41

War Risks (Factories) Insurance

C F File No. 221 of 1941. | General and Revenue Secretariat.

Serial No.

81) According to the Ordinance, the liability of the Central Government as Insurers does not extend to more than 80% of the insurable value of the property and even then the first 20% of the claim has to be borne by the insured themselves.

The likelihood of total damage in cases of stray raids etc., is not great and in such cases no amount can be expected to be received or recouped from the Central Government, according to the Ordinance, in the majority of cases.

Considerable damages can be expected only in the event of a concentrated attack and even then the settlement/insurance claims can be expected to be received only after the enemy is driven out.

There is no immediate danger at present though, of course, one cannot predict whether and if so when the risks of the recent past are likely to be experienced once again.

I don't think so

For the foregoing reasons the factories situated in the State and owned by Government may be exempted from the provisions of the proposed Scheme. It may be made applicable to private concerns only. Necessary further action has to be taken to implement the Statute by issuing an Ordinance locally also. The Development Department and the Law Secretariat may take action suitably.

Yes

P.T.O.

War Risks (Factories) Insurance

H. 5380

General and Revenue Secretariat — File No. 221 of 1941. — [App. F. III—2

Serial No.

DEWAN'S OFFICE
1 JUL 1942
No. 798

This may be done

DEWAN'S OFFICE MYSORE
13 JUL 1942

OFFICE OF THE MINISTER FOR FINANCE & REVENUE
15 JULY 1942
No 454

Re: Goods Insurance, the Government of India have not extended it to States and the problem requires technical examination of position in view of the fact that our trades extends to British India and British Indian traders may also hold stock in Mysore.

Further action in the direction may be examined by the Development Branch in consultation with the Law Secretariat.

U.R. 15/7/42

Minister F. & R.)
Dewan,
through,
Development Secretary.)

WD. 14/7/42

P.A.
Please put up a copy of the decisions at the Bombay meeting of Ministers

Submitted:—
A copy of the discussions at the Bombay Ministers Meeting is put up herewith as desired above (vide Marg "X")

18/7

Vide Marginal notes Regarding Fire Factories we should take up the position suggested at the Ministers meeting at Bombay — Para 4 (c)

22/7/42

Dewan)

Dev. Sec'y 16/7/42

22/7/42

25/7/42

NOTE—Contn. Sheet.

WD 04155—GPB—55,000—23-10-41

War Risks (Factories) Insurance

F File No. 22, of 1941. | General and Revenue Secretariat.

Serial No.

Dft Emergency Bill re. War Risks (Factories) Insurance has been subd for appl & ~~circn~~ for circulatn in Council separately - The decision to except State owned factories from the operatn of the Scheme has been incorporated in the Bill, and we might also write separately about it, giving the undertaking required.

Actn will be taken to issue Rules, (& to republish the Rules issued by the G. of I.) & to give wide publicity after the Act is passed.

Dft letter to the ~~G of India~~ WO intimating actn taken so far, is for appl. | A

(As re. (Goods) Insurance we have since heard from the G. of India agreeing to the benefit of extending the Scheme to Indian States; and actn is being separately taken to draft an Emergency Bill on the lines suggested by the G. of I.)

Min. 7 x R)

WO
25/7/42

Subd for perusal before issue. ~~Issue.~~ 28.7.42

(A)

Dewan)

WO
28/7/42

WO
28/7/42

Issue at once.

WO
29/7/42

To the Additional Dy Secy. Govt of India Dept. of Commerce
D.952 D. 29.7.42

(Issued)
29.7.42

G.R.S. III—3]

~~71 5330~~

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

War Risks (Factories) Insurance

The main file regarding the above question has been submitted to the Finance & Revenue Minister, and it may take some time before orders are passed on the points raised therein.

In the meantime the Legislative Dept. may perhaps get ready a draft of the Ordinance or Act that may have to be issued in that connection – leaving open the question whether Govt. Factories need be insured or not.

A. A spare copy of the Residency letter is put up for being sent to the Leg. Secy. for action being taken in advance as above, if approved.

Ref: is invited to clause (g) on page 3 of Resy. letter. All factories must have insured by 31st Aug. 1942 at latest. ~~Sufficient~~ notice has to be given by issue of Act or Rules ~~&~~ as well in advance

GA

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

WD 05636—GPB—36,000—20-3-40

GA 2/7/42

A. Yes. There is not much time left for the last.

JLJ 2/7

Dy Sec (S)

Law Dept (with Appls) 6.7.42

JLJ 4/7

A Bill has been drafted on the lines of the British Indian ordinance incorporating the changes suggested in Annexure I to the Residency letter d. 12.6.42 a Copy of which has been put up by the admn. Section. The Bill is for Consideration.

If the Bill is returned after orders on the several points raised in the Residency letter are passed, the Bill will be again scrutinised in order to see if any changes are necessary in the light of such orders.

A It will be seen from the draft Bill put up that though the Scheme is that of the Govt of India, it derives its sanction in Mysore from the measure to be passed in Mysore. In such circumstances, whether Mysore Govt should be divested of powers completely and such power vested exclusively in Govt of British India is a matter for the admn. Section to Consider in Consultation, if necessary, with the Law Dept

B Clause 5 (2) of the Bill as now drafted speaks of a requirement by the Govt to direct an owner to reconstruct his factory. The power to be conferred on Govt to so require is contained in the Section 3 (5) (d) (ii) of the British Indian ordinance for which Section is replaced at the suggestion of the Residency. It is no doubt true that the new Clause 3 speaks of the British Indian Scheme as having effect in Mysore as if put into operation under a Law of Mysore. But it appears desirable that this particular power at least which is implicit in Cl 5 (2) should be

Continuation Sheet. File No. 5925 / Current No. of Page.

specifically mentioned in our Bill. In this Purpose it is for consideration if after the expression, "reconstruct a factory which has suffered damage" in 5(2) the following words may be added, "(which the Govt are hereby empowered to require)". In regard to other powers, cl 3 as now revised may prove sufficient.

Secy RA Dept 9.7.42

BXR 9.7.42

Law Secy

DEPT. JUL 1942 GOVT OF MYSORE

A. Whether the jurisdiction should vest exclusively in Courts in British India as suggested by the Government of India and whether the Courts in Mysore should not also have similar jurisdiction require consideration in the Administrative section.

B. May be done.

Chief Secy

Chief Secy 13-7-42

BXR 13.7.42

5330

General and Revenue Secretariat | File No. F-1/41 of 194 . | [App. F. III-2

Serial No.

MINISTER
JUL 15 1942
No 535

If our nationals are to benefit by this concession, I am afraid we cannot insist upon jurisdiction of our courts. I do not know whether the Governor-General has any power to vest such jurisdiction in our Courts which would have been possible if a Federal Jurisdiction were in existence. In the absence of Federation I am afraid we may have to forego amour-propre in the interests of our own nationals for getting them the financial benefits of the ~~risks~~ risks with no expense to our state.

SECY. LAW DEPT. 580 15 JULY 1942 GOVT OF MYSORE

Law Secy with emphasis) AHS 15.7.42
JWJ 15/7

Minister for Law
The proposals of the Govt of India may be agreed to in their entirety
15/7
15/7/42
BXR 15.7.42

Asst Secy Fin Dept W/C
BXR 16.7.42
Dy 16.7.42

JWJ 17/7 In the main file, it has been ordered by the Financial Secretary

NOTE—Cont. Sheet.

WD 04155—GPB—55.000—23-10-41

War Risks (Jackwin) Insurance.

File No. of 194 . | General and Revenue Secretariat

Serial No.

that further action by may be taken by the Development Secretariat in consultation with the Law Dept.

If the approval, this may be transferred to the I.C. Branch

Dev Sec w/c 17/7

Dft Emergency Act sub for appl.

Council matter; may be disposed of by circulation, in view of urgency.

Dewan)

25/7/42

26/7/42

26/7/42

Dev. Sec w/c.

Ch Sec'y w/ comps)

27/7/42

Submitted with a circulation memo

27/7/42

27/7

DEPT. OF DEV. DEPT. 17 JUL 1942

CHIEF SECRETARY'S 27 JUL 1942 GOVT. OF MYSORE

For Disposal by Circulation.

No. C. | 03

.....9.....194 2-43

GENERAL AND REVENUE SECRETARIAT

Council Matter.

Subject

War Risks (Factories) Insurance Emergency Act.

Circulated to the Council of Ministers.

By Order.

.....27th July.....1942.

Chief Secretary to Government. (In charge).

886. 28.7.42 **Minister for Finance and Revenue.** Kll 28/7

Minister for Law. (Leave)

540 28.7.42 **Minister for Education.** 28.7

994 27.7.42 **Minister for Local Self-Government and Public Health.** 27.7.42

WD 06346—GPB—500—24-3-42

Secy. ... Dr.

D.F.N. put up as directed. D.F.N.
(The main file of previous correspondence is also placed below)

Secy) 30/7/42 30/7/42

FINAL NOTE BY THE MINISTER FOR FINANCE AND REVENUE.

Subject:—

The War Risks (Factories) Insurance Emergency Act.

E I beg to invite reference to the Dewan's Submission Note, dated 25th April 1942, submitting for His Highness' gracious information the action taken in the matter of extending the benefits of War Risks (Goods) Insurance and the War Risks (Factories) Insurance Schemes of British India to this F State. Subsequently, a telegram was received from the Hon'ble the Commerce Member, Government of India, enquiring whether the Mysore State was willing to adopt the War Risks Insurance A Schemes in force in British India and a reply was sent thereto L that we were quite willing to join the said schemes, the - Government of India receiving the premium and carrying the risk.

C 2. A communication has now been received from the Government of India agreeing to extend the Government of India War Risks (Factories) Insurance Scheme to the Mysore State and indicating the points on which further action has to be taken in the matter. Immediate action has to be taken accordingly to pass a law here, corresponding to the Government of India Ordinance, requiring owners or occupiers of factories situated in the State to effect insurance against War Risks under the Government of India's Scheme . The Government of India also want the State to give an undertaking effectively to preclude the suing of the Government of India (qua insurer) in the Courts of the State. The Government of India further state that as the contract of insurance will be between the persons

in the

in the State and the Governor-General, they will insert the following conditions in the policy of Insurance to be issued in respect of property situated in the State:-

(i) that the contract shall be deemed to be made in British India;

(ii) that claims under the policy shall be settled in British India; and

(iii) that the insured agrees to submit to the jurisdiction of Courts in British India for all matters arising out of or in connection with the policy of insurance.

D A copy of the reply sent to the Government of India giving the undertaking asked for, and intimating that further action will be taken on the lines suggested is also put up for perusal.

3. As all the Factories will have to insure under the new Law before 31st August 1942, the necessary legislation will have to be enacted immediately. Draft of an Emergency Bill J. prepared on the lines indicated by the Government of India is submitted herewith.

It is submitted in this connection that the Government of India have given us the option in respect of the State-owned factories either to insure all these under the proposed scheme, or to exempt them from its provisions. As the liability of the Central Government as Insurers does not extend to more than 80% of the insurable value of the property, and the first 20% of the claim has to be borne by the insured themselves, it is not considered advantageous for the State-owned factories to be insured under the Government of India scheme. Further, this question was also discussed at the Minister's Meeting that was recently held in Bombay, which was attended by me, B and the opinion expressed at the meeting was that on grounds of general policy the State-owned factories need not come

under the Scheme as they should be covered by reparations. In the Draft Bill put up, it is therefore proposed to exempt the State-owned factories from the provisions of the Scheme.

4. After the Act is promulgated further action will be taken in the matter of giving wide publicity to the provisions of the Scheme and the Rules issued by the Government of India which are applicable mutatis mutandis in the State. Action will also be taken in due course to place a Bill in this behalf before the Legislature if found necessary.

5. The Dewan and the other Ministers have agreed to the proposals. Gracious sanction of His Highness is solicited to the promulgation of the Draft Bill put up as an Emergency Act in the first instance and to proceed with it in the Representative Assembly and the Legislative Council if the continuance of the Schemes be considered necessary.

/V Ananthasayanam

Minister,
Finance & Revenue.

Bangalore,
31st July 1942.

Submitted to His Highness.

I submit herewith a Final Note by the Minister for Finance and Revenue *on the subject of* The War Risks (Factories) Insurance Emergency Act

for His Highness's gracious ~~approval.~~ sanction.

Dewan.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

The War Risks (Factories) Insurance Emergency Act.

Order.

3/8/42.

No. 128

Chief Sec
6/8/42

eneral and Revenue

Secretariat.

e103.

SUBJECT :—

The War Risks (Factories) Insurance Emergency Act.

(*)

14. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or ndications to the contrary, be ordinarily circulated to the Ministers for perusal after the issue of orders.

16. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after, to the Chief Secretary for circulation to the Ministers.

17. In all other cases, the files will first be circulated to the Ministers at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Council of Ministers for perusal of His Highness' orders before/after issue of orders. (*Vide* Rules 14, 16 and 17 of the Subsidiary Rules for the conduct of business of Council in the Mysore Government Business Rules.) (*)

M. S. 7/8

Chief Secretary to Government.

Through the Secretary to Government,

Financial..Department. 8/8/42

Minister for Finance and Revenue.

Minister for Law.

Minister for Education.

Minister for Local Self-Govt. and Public Health.

NOTE.—Contn. sheet

WD 06360—GPB—500—23-3-42

War Risks Factories Insurance Emergency Act, 1942

Continuation Sheet. File No. / Current No. 812/R of Page.

The passing assent of His Highness the Governor has been accorded on 3rd inst to promulgate the Bill into law.

The Dev. Secretary has instructed that this Act may be published as an Extraordinary Gazette today.

A draft G.N. is put up for approval

Sgd 8.8.42

(Legislative Draftsman)

BXR 8.8.42

(Law Secy)

CWS 6-6-42

Please now BXR 8.8.42

Sgd 8-8-42

Bound Rl 160. Ltr 14.42. 10 8.8.42 making publication of Act as XXXIV of 1942 and Gazette Extraordinary to issue today.

The Press has been instructed to issue the Act as a Gazette Extraordinary. The file will be sent to Admn Section (Dev Br) to note for taking any further action they may consider necessary and to return the file for recording

Sgd 8/8/42

(Legislative Draftsman)

WD 06260—GPB—500 pads of 100 sheets each—20-3-42

BXR 10.8.42

(Asst Secy Dev for WC)

10/8/42

14 36 / 9 pt

The War Risks (Factories) Insurance Emergency Act 1942

General and Revenue Secretariat | File No. | of 194 | [App. F. III—2

Serial No.

Appn in this file will now be sent to the Legis section for taking further action in connection with the ensuing R.A. Order

by BL
1979

To
1979/42

Legis. Section

The War Risks (Factories) Insurance Bill was placed before the R.A. on the 15th October. After some discussion it was put to the vote and passed.

It is for consideration if the Bill may be published under orders of the Governor under rule 36 of the Legislative Rules in which case it will not be necessary to move for leave to introduce the Bill in the L.C.

The Statement of principles will be adopted as the Statement of Objects and Reasons. Submitted for orders.

DN.
23-10-42

NOTE—Contn. Sheet.

WD 04155—GPB—55,000—23-10-41

Legislation — Bills to be placed at the Dasara Session of the RA

General and Revenue Secretariat
R. A. & L. C.

RA File No. 668 of 1942-43 [App. F. III-2

Serial No.

Subd

Bills as noted in the appended list have been ordered to be placed for consideration at the ensuing Dasara Session of the R. A. Of these the following bills have not yet been received from the Administrative branches.

AH — 1) The Co-operative Societies (Amendt.) Bill

FL 2) The Mechanical Lifters bill

AH 3) The destruction of ~~Insects~~ Insects & Pests (Amdt.) Bill

DFC 4) The Mysore War Risks (Goods) Insurance Bill

DFC 5) The Mysore War Risks (Factories) Insurance Bill

Not yet received from the C.B. offr. H.Q. orders. 8.9. The information called for from the Dir. of Agr. has not been received as yet. The file is herewith put up for reference & return.

If approved the concerned Administrative branches will be ~~requested~~ required to forward the files with three copies of draft bills in triplicate to the R. A. office, so that action may be taken to get them printed in time

DFC 8.9.42 CSPR

8/9/42

To

The Superintendents of Printing & Stationery
" Financial "
&
DFC "
with Compliments

CSPR 8.9.42

3 vide marginal note against item 4 (3) Item 4 is yet under examn of F. Br

vide remarks against item (2) 8.9. (4057) 8/9 These will be sent in a day or two.

Vide remarks above 8/9/42

NOTE—Contn. Sheet

File No. 641/RA 1436/D of 194 .

General and Revenue Secretariat
R. A. & L. C.

Serial No.

Reference para 5 above
The War Risks ~~for~~ Factories Insurance Bill
with statement of principles has not yet
been received. The last date for receipt in
the Rt. Office was the 23rd inst.
If it is desired to place it
at the ensuing session, the Bill must
be kept sent immediately

28.9.42

Asst Secy
Dev & Ly.

The bill ~~has to~~ to be placed
before the R.A. at the ensuing
session. A statement of principles
is put up

OFFICE OF THE MINISTER FOR [illegible] & REVENUE
29 SEPT. 1942
No 2812

Dev Secy

28/9/42

for appt

Min. for R)

W 29/9/42

29.9.42

W
29/9/42

Asst Secy desires
W/c

For
29.9.42

Please take immediate action to include
in Agenda. Let me see Bill before it
goes to Press.

29.9.42

OFFICE OF THE SECRETARY
Mr 2 V.
29 SEPT. 1942
REPRESENTATIVE ASSEMBLY
LEGISLATIVE COUNCIL

The War Risks (Factories) Insurance Bill

General and Revenue Secretariat
R. A. & L. C.

File No. 641 RA of 194 [App. F. III–2

Serial No.

Action has been taken to send copies of the Bill with the Statement of principles to the press and to the Translation Section

W. 29-9-42

The War Risks (Factories) Insurance Bill was placed before the R A on the 15th October. After some discussion it was put to the vote and passed

Submitted for consideration if the Bill may be published under orders of the Dewan under rule 36 of the Mysore Legislative Rules, 1941.

The Statement of principles will be adopted as the Statement of objects and Reasons

W. 28/10/42

Permission is solicited for the publication of the Bill under the orders of the Dewan under rule 36.

The St. of principles with may be adopted as the St. of Objects and Reasons. As the provisions of this Bill are already in force (as Emergency Legislation) and are not therefore new, Notes on Clauses appear to be unnecessary

Secy (RA & LC) 5-11-42

BKR 5-11-42

Law Secy) May be published.

5-11-42

NOTE—Contn. Sheet

6 NOV 1942
B 586

Mr. W.

10-11-42 BKR 10-11-42 8/11/42 5-11-42

The War Risks (Factories) Insurance Bill.

File No. 64 of 194 .

General and Revenue Secretariat
R. A. & L. C.

Serial No.

Submitted with a draft Notification for approval

Issue
Govt
11.11.42

To

The compiler, Mysore Gazette

Issued No RL565 - Regd 1942 dated

11-12-Nov-1942

Directs the publication of the Bill in the Gazette under Rule 36 of the Mysore Legislative Rules

This Bill will replace the existing Emergency Act and will not require sending by a Select Committee.

The following motions are respectfully suggested for the disposal of the Bill by the Minister for Finance & Revenue -

1 to introduce the Bill

2. to move that the Bill be taken into Consideration by the Council at once [without reference to a Select Committee]

2. to move that the Bill be passed

Govt
12.11.42

Secy
RA. Dept)

BKR
13.11.42

Law Secy)

Minister for Fin & Rev

Circ
13.11.42

BKR
13.11.42

Mr. T.S.

Circ
16-11-42

BKR
16.11.42

OFFICE OF THE MINISTER FOR FINANCE & REVENUE
14 NOV. 1942
No 3849.

SECY. LAW DEPT.
GOVT OF MYSORE

16.11

The War Risks (Factories) Insurance Bill.

General and Revenue Secretariat
R. A. & L. C.

File No. 641/RA of 194 . [App: F. III–2

Serial No.

5133

The War Risks (Factories) Insurance Bill was introduced in the recent Session of the L.C. and was passed by it, after adopting a few minor amendments. on 8-12-42. A copy of the Bill as passed and signed by the president under Standing Order 44 is put up herewith

A.D.F.N. is also submitted for consideration.

JV 23/12/42

SDN 30.12.42

Law Secy.)

As directed, a typed copy of A.F.N. is put up 26/12/42

JAS 26/12

D.F.N. is submitted

Min. for Fin. & Rev. 4.1.43

AM 1-1-43

DKR 2-1-43

OFFICE OF THE MINISTER FOR FINANCE & REVENUE
2 JAN 1943
No. 5159

S.N. submitted

AM 3-1-43

Signed F.N. in duplicate is placed below.

DKR 5.1.43

5/1/'43

LEGY. LAW DEPT. 1948 GOVT OF MYSORE

NOTE—Contn. Sheet

FINAL NOTE BY THE MINISTER FOR FINANCE AND REVENUE.

Subject:—

Promulgation of the War Risks (Factories) Insurance Bill.

On the 3rd August 1942, His Highness was graciously pleased to approve of the proposal to promulgate the War Risks (Factories) Insurance Act as an Emergency measure in the first instance and, if necessary, to proceed with it thereafter in the Representative Assembly and Legislative Council. The measure was accordingly promulgated as an Emergency Act in August 1942. As the need for the continuance of the scheme after the expiry of the normal period of the Emergency Act was considered necessary, a Bill, modelled on the lines of the Emergency Act, was placed before the Representative Assembly in October 1942 and was approved by that Chamber. The Bill was thereafter introduced in the Legislative Council at its December session and was passed by it, after adopting a few amendments moved by a member.

A copy of the Bill, as passed by the Council and signed by the President, Legislative Council, is submitted to His Highness, under Standing Order 45 of the Mysore Legislative Council Standing Orders.

I solicit the gracious sanction of His Highness to promulgate the Bill into law.

Bangalore,
4th January 1943.

Minister,
Finance & Revenue.

Submitted to His Highness.

I submit herewith a Final Note by the Minister for Finance and Revenue on the subject of the promulgation into law of the Mysore War Risks (Factories) Insurance Bill for His Highness's gracious sanction.

Bangalore,
5th January 1943.

DEWAN.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Promulgation into law of the Mysore War Risks (Factories) Insurance Bill.

No. 480

Order.

7/1/43

General and Revenue

Secretariat.

C622

SUBJECT :—

Promulgation into law of the Mysore War Risks (Factories) Insurance Bill.

(*)

14. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Ministers for perusal after the issue of orders.

16. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after, to the Chief Secretary for circulation to the Ministers.

17. In all other cases, the files will first be circulated to the Ministers at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Council of Ministers for perusal of His Highness' orders before/after issue of orders. (*Vide* Rules 14, 16 and 17 of the Subsidiary Rules of the Mysore Government Business Rules.) (*)

8/1

Chief Secretary to Government.

Through the Secretary to Government,

Law Department.

6-1-43

5459
8.1.43.

Minister for Finance and Revenue. 9.1.43

6035
9-1-43

Minister for Law. 9/1

3320
9.1

Minister for Education. 10.1.

5321
12.1.43

Minister for Local Self-Govt. and Public Health.

Law Sec copies 13.1.43.

13/1

NOTE.—Contn. sheet

WD 0718—GPB—1,000—11-9-42

15-1-43

15.1.43

The War Risks (Factories) Insurance Act 1943

General and Revenue Secretariat
R. A. & L. C.

File No. 641/R.A. of 194

[App. F. III–2

Serial No.

The gracious assent of His Highness the Maharaja was accorded on 7-1-43 to promulgate the Bill into law.

A draft G.O directing publication of the Act as Act No VI of 1943 is submitted for approval

18-1-43

18/1

Secy (AA-2e) 18.1.43

Law Secy 18.1.43

Accts 18-1-43

Dy Secy 18.1.43

To: The compiler Mysore Gazette

No RL 730 Legis 47-42-1 dated 18/19-1-43 directs publication of the Act in the Gazette

The Act has been published in part IV of the Gazette dated 21-1-43

SECY LAW DEPT 852 GOVT OF MYSORE

NOTE—Contn. Sheet

The reply to this communication should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

C F 221-41-2 R 2131

No. F.89-40(2)/W.

GEN. & REV. SECRETARIAT 3335

FINANCIAL SECRETARY GOVT. OF MYSORE

FINANCIAL BRANCH

FROM

THE SECRETARY
TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Financial Department, Bangalore.

Dated Bangalore, the 24th February 1942

War Risks (Goods) Insurance Ordinance and Rules.

- - -

SIR,

I am directed to refer to your letter No.Pol. 1398, dated the 31st January 1942 and to forward a copy each of the War Risks (Goods) Insurance Ordinance, 1940 and the Rules made thereunder. It is regretted that spare copies of the notifications issued by the Government of India from time to time publishing amendments to the Rules are not available; but the attention of the Government of Mysore was drawn to these notifications as and when they were issued.

I have the honour to be,
Sir,
Your most obedient servant,

for SECRETARY TO THE RESIDENT.

VN

KRG

Appendix F G—1]

SUBJECT.....

.....

.....

Section C F

File No. 221-41

Serial No. 3

Diary No. of letter replied to.....

No. Rol 1612

To

The Secretary
to the Hon'ble the Resident
in Mysore
Bangalore

General and Revenue Secretariat

( )

the *19*

Sir,

Date of issue 27. 2. 1942

I am directed to acknowledge with thanks the receipt of ~~one~~ ~~copy~~ ~~of the~~ copy of the War Risks (Goods) Insurance Ordinance, 1940 and the Rules made thereunder kindly sent with your letter No F 89-40(2)/W dated 24/2

Signed by Mr. C. S. R.

List of enclosures.....

Copied by .....

Examined by.....

I have e

H Secy to

Vrs 25/2

Col 1682 dt 7.3.1942

G.7. 221-41-D1

To

The Secretary
to the Hon'ble the Resident in Mysore
Bangalore.

Subject:- War Risks Insurance

Sir,

In continuation of this office letter No.1743/C.B./Legis.20-40-2 dated 16th October 1940, on the subject mentioned above, I am directed to state that this Government have since reviewed the situation in the light of subsequent developments in the inter-national situation and representations received from the Mysore Chamber of Commerce and other public bodies. I am to state that, under the present altered circumstances, this Government will be glad to participate in the war risks Insurance Schemes introduced by the Government of India and to be introduced hereafter. I am to add that this Government would prefer the alternative suggested in para 2 of your letter No.F.89-40 W dated 26th September 1940 that the Government of India should receive the premia and carry the risk instead of the State doing so

The Government of His Highness the Maharaja will be obliged if the Hon'ble the Resident will kindly use his good offices with the Government of India for inclusion of the Mysore Government in all their War risks Insurance Schemes.

~~An early reply will oblige.~~

I have etc.,

4.3.42

Finl. Secy.

The reply to this communication should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

FINANCIAL SECRETARY GOVT. OF MYSORE

No. F.89-40(2)/W. Pol 2259

GF 221-41-5

FROM

7906

THE SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Chief Secretary to the Government of

5544, His Highness the Maharaja of Mysore, Bangalore.

Dated Bangalore, the 12th March *1942.*

CHIEF SECRETARY 12. MAR. 1942 GOVT. OF MYSORE

War Risks (Goods) Insurance.

- - -

3574

SIR,

I am directed to refer to the correspondence ending with letter from the Government of Mysore No.Pol.1612/G.F.221-41-3 dated the 27th February 1942.

2. It is understood that certain South Indian Merchants in England who are disturbed by the absence of War Risks (Goods) Insurance Scheme in Mysore and in certain other larger Indian States have approached the Secretary of State, and they have also raised in this connection the question of compensation for damage by enemy action to immoveable property.

3. I am to say in this connection that the Central Government had been examining the question of introducing a scheme to cover immoveable property, and were advised that it was impracticable to cover such risks by an insurance scheme, and that a scheme of contribution and compensation would raise certain constitutional complications whether the Central Government are at all competent to introduce such an imposition. They have therefore, decided to address the several Provincial Governments and inform them that if the latter consider it necessary, they might introduce Provincial scheme of contribution and compensation.

4. I am to bring the matter to the notice of the Government

of

of Mysore and to add that it is open to them to have schemes of their own if desired. The decision of the Government of Mysore may kindly be communicated to this Residency at an early date.

I have the honour to be,
Sir,
Your most obedient servant,

Venkaman Rao.
for SECRETARY TO THE RESIDENT.

VN

The reply to this communication should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

Pol 2288

3637/21

No. R.F.86-42/Judl.

FROM

THE SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

AR. 1942
8065 To

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore.

OFFICE OF THE MINISTER FOR FINANCE & REVENUE
MAR 1942
No. 5755

Dated Bangalore, the 16th March 1942.

Proposed scheme for the insurance against, or payment of compensation for, war damage to certain immovable property.

SIR,

I am directed to say that the Government of India have carefully considered the possibility of setting up in India a scheme for the insurance against, or payment of compensation for, war damage to immovable property. It is considered that any such scheme would have to follow the United Kingdom War Damage Act, 1941. This Act provides firstly for the payment of compensation to owners of property damaged by enemy action and secondly for the levy of contributions, assessed on the annual value, from property owners in the United Kingdom.

2. But this is not technically insurance. It is a scheme of contribution and compensation and the levy of the contribution would amount clearly to the imposition of a tax on property. Such a tax would fall within entry 42 of the Provincial Legislative List "taxes on lands and buildings". While it is doubtless competent to the Central Legislature under section 102 to enact (with the sanction of the Governor General) a law imposing such a tax upon property owners in the whole of British India, the question whether the proceeds of the tax would fall in the Provincial or the Central fisc is not free from doubt.

3. But apart altogether from the constitutional

difficulty

difficulty the practical difficulties of running such a scheme in India appear very considerable. There can be no comparison between the conditions obtaining in the United Kingdom in this respect and the conditions obtaining in India. The difference in size of the two countries itself presents a formidable problem which is further complicated by the vast disparity in the proportion which "good risk areas" bear to "bad risk areas". For the constitutional and practical reasons mentioned above the Government of India have decided that any scheme purporting to cover immovable property in general must be left to Provincial Governments.

4. While a Central Scheme covering immovable property in general is thought impracticable a limited scheme covering Plant and Machinery in factories as defined under the Indian Factories Act and certain buildings appertaining to factories is considered both desirable and practicable. Here it is possible to proceed by way of insurance, legislation for which by the Central Government would be relatable to entry 37 of the Central Legislative List. The Government of India have such a scheme under consideration and hope to undertake early legislation to put it into effect.

I have the honour to be,
Sir,
Your most obedient servant,

Macaan.

SECRETARY TO THE RESIDENT.

BJ

F/4148
11.4.42.

The reply to this communication should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

No. F.89-40(2)/W.

G.P. 221-41-5

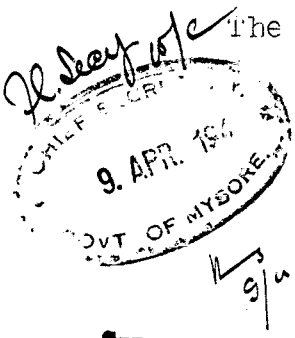
FROM

THE SECRETARY
TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

Dated Bangalore, the 9th April *1942.*



War Risks (Goods) Insurance.

SIR,

I am directed to refer to your letter No.Pol. 1682/G.F.221-41-3 dated the 7th March 1942.

2. The Government of India state that no kind of unanimous desire to join was shown by States in general and they regret that they cannot extend their Schemes to any single State. In the circumstances it is open to the Government of Mysore to have their own Schemes. I am to invite attention in this connection to paragraph 4 of letter from this Residency No.F.89-40(2)/W dated the 12th March 1942.

I have the honour to be,
Sir;
Your most obedient servant,

for SECRETARY TO THE RESIDENT.

VN

C.R. No. 34

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

DEWAN'S OFFICE
6. APR. 1942
NO. M 1139.

APR 42

O 1525 BHOPAL A 4 RAJ 60 MADHAVARAO ESQ

DEWAN OF MYSORE BANGALORE

PLEASE REFER TO GOVT OF INDIA INSURANCE SCHEMES COMMODITIES AND FACTORIES AAA BHOPAL GOVT CONSIDER BALANCE IF ADVANTAGE LIES IN JOINING SCHEMES ON THE BASIS OF ONE CONSOLIDATED FUND FOR WHOLE OF INDIA AAA WOULD WELCOME VERY EARLY INDICATION OF YOUR REACTION TO THIS VIEW PLEASE ADDRESS REPLY TO ME-

BHORE

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in, serial number (in the case of foreign telegrams only), office of origin, date, service instructions (if any) and number of words.

This form must accompany any enquiry respecting this telegram.

MGIPPAh.—3635—26 2 41—14,402.

EASSOBY 1/55

MEMORANDUM.

C 251

Camp Mysore,
5th April.....1942.....

FROM

THE PRIVATE SECRETARY
TO THE DEWAN OF MYSORE,
BANGALORE.

CAMP MYSORE.

To

Sir Joseph Bhore, K.C.S.I., K.C.I.E.,C.B.E
Economic Adviser to the Government o
H.H. the Ruler of Bhopal,
BHOPAL.

Telegram/Telephone Message, dated the 5th April 1942 from Rajamantrapravina Mr. N. Madhava Rau, B.A., B.L., Dewan of Mysore, Camp Mysore, to Sir Joseph Bhore, K.C.S.I., K.C.I.E., C.B.E., Bhopal:-

"Reference your telegram fourth regarding insurance schemes stop We hold the same view and have already approached Government of India to include Mysore in the scheme

DEWAN".

Post copy in confirmation of the above telegram/telephone message is forwarded to.....

Camp Mysore,
5th April 1942.

Private Secretary to the Dewan of Mysore.

ISSUED.

EXPRESS

Sir Joseph Bhore

BHOPAL

Reference your telegram fourth regarding insurance schemes stop We hold the same view and have already approached Government of India to include Mysore in the scheme

DEWAN

Private Secretary to Dewan of Mysore,
Camp Mysore,
5.4.42.

Sir Joseph Bhore

BHOPAL

Reference your telegram fourth regarding insurance schemes stop ~~I entirely agree with views Bhopal Government stop~~ we hold the same view and same ~~Mysore Government have already approached Government of India~~ to include Mysore in the scheme

DEWAN

Private Secretary to Dewan of Mysore,
Camp Mysore,
5.4.42.

PR 221-41-7

C. 14 · 581

19th April 1942.

My dear Sir Ramaswami Aiyar,

May I invite your reference to the War Risk Insurance schemes, in respect of goods as well as factories, recently introduced in British India ?

Requests are being received from merchants and public bodies in Mysore that similar facilities should be secured in respect of goods and factories in the State. It is considered desirable to request the Government of India to extend the benefits of their schemes to the Indian States also on the basis that the Government of India will receive the insurance premiums and carry the risk. The Government of India state, however, that in the absence of a general desire to participate in the schemes on the part of the States, the extension of the schemes to any single State is not possible. We are addressing the Government of India further in the matter with a view to the inclusion of this State within the scope of their schemes. Meanwhile, I request you to kindly advise me telegraphically whether you have proposed or are proposing to ask for the inclusion of the Travancore State within the scope of the War Risk Insurance schemes.

Yours sincerely

Sd. N. Madhava Rau

Sir C. P. Ramaswami Aiyar, K.C.S.I., K.C.I.E.,
Dewan of Travancore,
TRIVANDRUM.

C.M.582

19th April 1942.

Dear Mr. Dixon,

May I invite your reference to the War Risk Insurance schemes, in respect of goods as well as factories, recently introduced in British India ?

Requests are being received from merchants and public bodies in Cochin that similar facilities should be secured in respect of goods and factories in the State. It is considered desirable to request the Government of India to extend the benefits of their schemes to the Indian States also on the basis that the Government of India will receive the insurance premiums and carry the risk. The Government of India state, however, that in the absence of a general desire to participate in the schemes on the part of the States, the extension of the schemes to any single State is not possible. We are addressing the Government of India further in the matter with a view to the inclusion of this State within the scope of their schemes. Meanwhile, I request you to kindly advise me telegraphically whether you have proposed or are proposing to ask for the inclusion of the Cochin State within the scope of the War Risk Insurance schemes.

Yours Sincerely,

Sd. N. Madhava Rau

A. F. W. Dixon, Esq., I.C.S.,
Dewan of Cochin,
ERNAKULAM.

6997

Rol 2002 d 23.4.1942

DRAFT.

To

The Secretary to the Hon'ble
the Resident in Mysore,
BANGALORE.

Chief Secy
This may be brought to my
at the Cl meeting today
21/4/42

Sir,

WAR RISKS INSURANCE.

I am directed to acknowledge the receipt of your letter No.F.89-40(2)/W. dated the 9th April 1942 on the subject of the schemes of the Government of India for the insurance of goods and factories against damage by enemy action.

Comments & papers in Council

Dewan & Secy
DSW
21/4/42
21/4 (agreed)

Re-submitted.

Dewan)

The Government of ~~Mysore note~~ Indra say that in the absence of a general desire to participate in these schemes on the part of the Indian States, they ~~Government of India~~ are unable to extend the schemes to any single State. ~~They~~ wish to urge, ~~however,~~ that the question, in so far as it affects this State, be kindly reconsidered in the light of the facts set forth in the following paragraphs.

There is reason to believe that a number of States would be ready to join in these schemes if not ~~whether this be the case or not for the decision~~ depending upon the decision of the Govt of Mysore.

The Mysore State is in a somewhat peculiar position at the present time. As His Excellency the Crown Representative is aware, the military establishments which ~~civil~~ were hitherto ~~were~~ confined to the Civil and Military Station of Bangalore have now spread ~~over a wide area within the~~ with the city of Bangalore as a whole and the surrounding area with State jurisdiction ~~and~~ the headquarters of

important Military and Air commands have been located in the Bangalore City. and it may be assumed that the liability of this area to enemy attack is increased by reason of this concentration of military activities and objectives.

a large War Prisoners' camp has been established near in the Vicinity

~~possible enemy attention~~

There are at the same time risks of another kind which warrant special consideration being extended to this State. A large number of industrial concerns in the State are employed on the manufacture of war supplies. And in the event of its becoming necessary to adopt a "policy of denial," as suggested by the Military authorities, the damage to these industrial undertakings may be considerable.

In these circumstances it seems unfair to this Government that the State should be excluded from the benefit of War Risk Insurance schemes which have been introduced in British India. It would be ~~equally unfair~~ unfair either to expect the State to have its own schemes for this purpose, as the financing of such schemes would be beyond its ~~financial~~ resources. The Government wish, therefore, to reiterate their request that the War Risk Schemes of British India should be extended to the State ~~and~~ If this cannot be done by means of legislation owing to legal or other difficulties, the Government of India may be asked to accept, in principle, their liability to make good ~~by~~ ~~loss sustained as a result~~ of enemy action or as a result of ~~adopting~~ measures ~~recommended by~~ adopted at the instance of the Military Authorities with a view to denying facilities to the enemy. The liability in each case being limited to the ~~same~~ extent to which such losses would be

~~in such manner as may be mutually agreed upon~~

any losses sustained by the State & by owners of ~~goods and movable properties~~ including factories & public utility undertakings) as a result

compensated in British India . The Mysore Government have ever been ready to cooperate in measures for the common defence of the country and they trust that in the request they are now putting forward they will have the support of His Excellency the Crown Representative.

I have etc.,

Secretary to Government,
General Department.

4323

P 28/4

C. 3.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

22 APR 41

No. 537

Received here at — H. M.

O RL TRIVANDRUM 22- 33 MYSORE DEWAN BANGALORE =

YOUR LETTER CH 581 OF 19- TH APRIL STOP WE HAVE AT PRESENT NO INTERIOR OF ENACTING A MEASURE SIMILAR TO THE WAR RISKS INSURANCE SCHEME IN BRITISH INDIA = DEWAN

The telegram has been sent to the Chief (in Cantt) & the Librarian (the Secretariat)
23.4.41

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in, serial number (in the case of foreign telegrams only), office of origin, date, service instructions (if any), and number of words.

This form must accompany any inquiry respecting this Telegram.

Eden Press, Calcutta—No. 144 (5173/B-93)—15-7-41—30,000 Bks.

1370

23rd April 1942.

Dear Sir Ramaswami Ayyar

I write to acknowledge with many thanks your telegram of the 22nd instant intimating that at present there is no intention of enacting in Travancore a measure similar to the War Risks Insurance Scheme in British India.

Yours sincerely

Sd. N. Madhava Rau

Sachivottama
Sir C.P. Ramaswami Aiyar, K.C.S.I., K.C.I.E.
Dewan of Travancore,
TRIVANDRUM.

M. 1203/Ex

DRAFT.

I write to acknowledge with many thanks your telegram of the 22nd instant intimating that at present there is no intention of enacting in Travancore a measure similar to the War Risks Insurance Scheme in British India.

Sachivottama
Sir C.P. Ramaswami Aiyar, K.C.S.I., K.C.I.E.
Dewan of Travancore,
TRIVANDRUM.

Submitted for approval.
23/4/42

C. INDIAN POSTS AND TELEGRAPHS DEPARTMENT

NOTICE

This form must accompany any inquiry made respecting this Telegram.

Charges to pay. Rs.	As.	Office Stamp.
		25 APR 41

Handed in at Office or Station	Date.	Hour.	Minute.	Service Instructions.	Words.
	25	11	00	18	5

TO Mysore Diwan
Bangalore

Recd. here at H. M.

Your letter nineteenth ah 5982
Cochin state anxious to have
war risks insurance schemes
extended to Cochin detailed Letter
follows Cochin Diwan

N.B.—The name of the Sender, if telegraphed, is written after the text.

Eden Press, Calcutta—66 (B-41)—9-6-41—100,000 Blks.

THE RESIDENCY,
BANGALORE.

D.O.No.89-40(2)/W.

24th April 1942.

War Risks Insurance.

Dear Mr Madhava Rau

Will you please refer to the correspondence resting with letter from this Residency No.F.89-40(2)/W dated the 9th April 1942?

2. The position has been reviewed in the light of the latest developments in the war situation, and it is considered that immediate action is necessary in the matter of War Risks Insurance I enclose a note of discussions held at New Delhi on 18th March 1942 between the Hon'ble the Commerce Member and certain Princes and representatives of States to discuss the War Risks Insurance Scheme and the Factories Insurance Scheme, and invite the earnest attention of the Government of Mysore to the note with a view to their adoption of the two schemes dealt with therein. The actio that you may deem necessary to take in this behalf need not await receipt of the communication from His Highness the Chancellor, and any points which require clearing may be referred to this Residency for transmission to the Political Department. I shall be glad to be informed at an early date of the action taken by the Government of Mysore.

Yours sincerely

Rajamantrapravina
Mr. N. Madhava Rau, B.A.,B.L.,
Dewan of Mysore,
Bangalore.

KRL

Note of an informal meeting held on 18th March 1942 at 12.15 p.m. in the Committee Room of the Princes' Section, Council House, New Delhi between the Hon'ble the Commerce Member and certain Princes and representatives of States to discuss War Risks (Goods) Insurance Scheme and the Factories Insurance Scheme.

.....

The Secretary to His Highness the Chancellor of the Chamber of Princes expressed the Chancellor's regret at not being present on account of illness.

2. The Hon'ble the Commerce Member in his introductory remarks stated that it was impossible to keep British India and the Indian States separate under the stress of War. A certain amount of cooperation was necessary as problems arising in British India are bound to affect Indian States. This was one of the reasons why representatives of the States were asked to attend the price conference held recently. The Hon'ble the Commerce Member then briefly explained the main features of the War Risks (Goods) Insurance Scheme and the proposed Factories Insurance Scheme.

3. Beginning with the Goods Scheme he stated that this Scheme had been functioning since the last 18 months and that the main object of the Scheme was to maintain a free flow of goods between various parts of India. From the very beginning, the Department of Commerce was against the division of India into vulnerable and non-vulnerable areas from the point of view of fixing the rate of premium. Subsequently events have proved that this was a wise course, as parts of India which were non-vulnerable at one time have become vulnerable now and vice versa. The Scheme is worked on an all-India basis and is compulsory. Hon'ble Member, Commerce, stated that it would not be possible to allow only vulnerable State to come in the Goods Scheme, and that if the States were to join, there must be a fair degree of unanimity among the States It was pointed out that inasmuch as so far as the Goods Scheme is concerned, we have already built up a fund in the last 18 months, if the States join in now, they will have to pay a higher rate for some time so as to put them in an equal position with the insured in British India.

4. Hon'ble Member, Commerce, then explained the main features of the proposed Factories Insurance Scheme and in doing so he pointed out that the memorandum containing the general features of the Scheme which has been circulated to the Princes and Ministers should be treated as confidential, as Government have not yet come to a final decision. The absence of such a scheme would not only disorganize the industry but also bring in social chaos in the present abnormal conditions. As in the Goods Scheme, he would welcome the participation of the States in the Scheme, but such participation should be based on a fair degree of unanimity. The States which mattered were the States having factories. States not having factories need not come into the picture. There were two alternatives for consideration should the States decide to join the Insurance Scheme, namely,

(a) a common fund for British India and the States, the responsibility for paying compensation to rest with the Gentral Government. If the amount of premia was not sufficientl to cover all the claims, payment would be made from Central revenues. If, however, there was any balance left over from the premia received, the Central Government would take the balance.

(b) Alternatively, the States could have their own separate fund and as in British India undertake to pay the compensation from their own resources should the premia be insufficient, and distribute the balance if there was anything left over in case the

amount

amount of premia received were more than the compensation to be paid.

5. As regards the second alternative, the Government of India would merely be using their good offices to work the scheme. So far as the Government of India was concerned, they would be prepared to agree to either alternative.

6. Hon'ble Member, Commerce, then invited the views of the Princes and Ministers present. The Secretary to His Highness the Chancellor stated that His Highness the Chancellor was going to circularise all the States and recommend the adoption of the two schemes. He, however, wished to stress that so far as the States were concerned, the administration of the Schemes should be left to the States and that arrangements should be made for liaison between representatives of the States and the Central Government.

7. Another question which was raised was whether goods in t ransit through places in India to which the insurance scheme did not extend were covered or not. Hon'ble Member, Commerce, stated that this was a matter which required consultation with the Legislative Department and that he could not answer it off hand.

****

D.O. No.C.H.589

24th April 1942.

Dear Col. Fraser,

I am in receipt of your D.O. letter No. 89-40(2)/W. of even date forwarding a note on the discussions held at New Delhi between the Hon'ble the Commerce Member and some Princes and representatives of States on the War Risks Insurance Scheme and the Factories Insurance Scheme and inviting the views of the Government of Mysore on the schemes. I am having the schemes examined and shall send you a further communication at an early date.

Yours sincerely,
(Sd) M. Madhava Rau.

The Hon'ble
Lieut.-Colonel D. de M. S. Fraser, C.I.E.,
Resident in Mysore,
BANGALORE.

Dewans Nursery

I attach a

D.O.

~~Copy~~ Copy of letter No 89-60(2)/

dated the 24th April 1962,

forwarding a note of discussions

held at New Delhi between the

Hon'ble the Commerce Minister

and Certain Princes and

representatives of States on

the War the War Risks

Insurance Scheme and the

Factories Insurance scheme,

~~as attended and forwarded~~

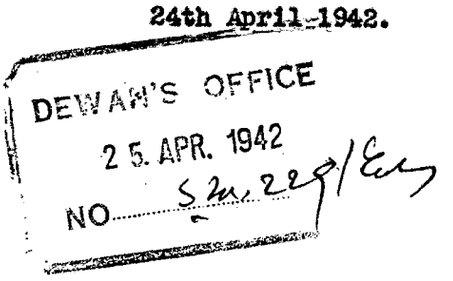
with a copy of the Note

There may be places below the
Privy Council Decision for the
information of Mr Ellis
I enjoy every minute
by on this subject
the Financial Secretary is
also enclosed

Dewan

Chief Secy)

Bangalore,
24th April 1942.



I attach a copy of D.O. letter No. 89-40(2)/W. dated the 24th April 1942, forwarding a note of discussions held at New Delhi between the Hon'ble the Commerce Member and certain Princes and representatives of States on the War Risks Insurance Scheme and the Factories Insurance Scheme with a copy of the Note. These may be placed before the next Council Meeting for the information of the Ministers. A copy of my Minute on this subject to the Financial Secretary is also enclosed.

DEWAN.

Chief Secretary)

THE DEWAN OF COCHIN

DEWAN'S HOUSE,
ERNAKULAM.
24th April 1942.

DF

28 APR. 1942
NO 2a 1236/1

Dear Mr.Madhava Rau,

Thank you for your letter of the 19th instant.

This Government intimated to the Government of India as long ago as 22--10--1940 their willingness to join the War Risks (Goods) Insurance Scheme. Representations were also subsequently made pointing out the urgent necessity for extending he scheme to the State. As a result of these representations, the scheme has been extended to persons carrying on business in British India and having business in the Port area including the Municipal towns of Ernakulam and Mattancherry which are within the Cochin State.

Regarding Factories Insurance, steps are being taken to get that scheme extended in toto to this State, and if this is not possible, at least to extend the same to the State so as to cover factories in Ernakulam and Mattancherry.

With best wishes,

Yours sincerely,

A W Dreen

Rajamantapravina N.Madhava Rau,Esq.,B.A.,B.L.,
Dewan of Mysore,
Carlton House,
Bangalore.

TRW.

28th April 1942.

1600

Dear Mr. Dixon,

Many thanks for your letter of April 24 on the subject of the extension to the Cochin State of the War Risks (Goods) Insurance and Factories Insurance schemes of the Government of India. I shall be much obliged if you will kindly advise me in due course of the results of your efforts to have the latter scheme extended to Cochin. As I stated in my last letter, we are also taking steps to get our State included within the scope of this scheme.

With all good wishes,

Yours sincerely,

Sd. N. Madhava Rau.

A. F. W. Dixon, Esq., I.C.S.,
Dewan of Cochin,
ERNAKULAM.

Recd 2/5/42.

Mr. Dixon's letter has been noted
Submit to the Chief Sec
2/5
2/5/42

Financial Secretary,
with compliments)

D.O.No.F.89-40(2)/W.

THE RESIDENCY,
BANGALORE.
29th April 1942.

War Risks Insurance.

My dear Mr. Madhava Rau, M/238

Will you please refer to your demi-official letter No.C.H.589 dated the 24th April 1942?

2. In view of the fact that my letter to you dated the 24th April 1942 crossed the letter from the Government of Mysore No.Pol.2002 dated the 23rd April 1942, I am not forwarding the letter to the Government of India until I hear from you again in case the Government of Mysore wish to add to the contents of that letter.

Yours sincerely,

Rajamantrapravina
Mr.N.Madhava Rau, B.A., B.L.,
Dewan of Mysore.

VN

C. INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

NOTICE.

This form must accompany any inquiry made respecting this Telegram.

Charges to pay. Rs. As.

Office Stamp. MAY 2

Received (Handed in at Office of Origin) Date. Hour. Minute. Service Instructions. Words

TO Prime Minister Mysore
C/o Dewan Bangalore

Rec'd here at H. M.

No/220/WRA residents have already been addressed by political dept in their depts express letters dated 17th and 18th April 1942 asking whether the states are

N.B.—The name of the Sender, if telegraphed, is written after the text.

Eden Press, Calcutta—66 (B-41)—9-6-41—100,000 Bks.

C

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

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Handed in at (Office of Origin)	Date.	Hour.	Minute.	Service Instructions.	Words.
TO Ace		14			
				Recd. here at H. M.	

willing to adopt the war risks (goods) and the war risks (factories) insurance schemes in force in british india stop as the matter (50) is extremely urgent honble member commerce would be obliged

N.B.—The name of the Sender, if telegraphed, is written after the text.

Eden Press, Calcutta—66 (B-41)—9-6-41—100,000 Bks.

C.

INDIAN POSTS AND TELEGRAPHS DEPARTME

NOTICE.

This form must accompany any inquiry made respecting this Telegram.

Charges to pay. Rs. As.

Office Stamp

Handed in at (Office of Origin)	Date.	Hour.	Minute.	Service Instructions	Words.

TO

Recd. here at H. M.

M the views of your State
have communicated to him by
wire and copy sent to political
deptt through resident at
your earliest convenience
Resident

N.B.—The name of the Sender, if telegraphed, is written after the text.

Riders Press, Calcutta—66 (B-41)—9-6-41—100,000 Blks.

I

DRAFT TELEGRAM.

Hon'ble the Member for Commerce,

Government of India,

NEW DELHI.

Your ~~kind~~ telegram No. 220. We are ~~anxious~~ quite willing to join War Risks Goods and War Risks Factories Insurance Schemes in force in British India, the Government of India receiving ~~the~~ premia and carrying ~~the~~ risk, ~~and not in favour of alternative of having an independent scheme for the State.~~ ~~Communication through Residency also sent already.~~

DEWAN.

approved in council
May issue
Confirmatory letter to Commerce
Member & draft ~~another~~ to Revenue
may be put up
9/11
4/5/17
da
4/5/17

Hon'ble the Member for Commerce
Government of India,
NEW DELHI.

Your telegram No. 220. We are quite willing to join War Risks Goods and War Risks Factories Insurance Schemes in force in British India the Government of India receiving premia and carrying risk.

DEWAN

Issued
4.5 PM.
S
4/5/42

Public Offices, Bangalore.
4.5.1942.

C 312

Three

Bangalore,

4th May 1942.

Dear Sir Ramaswami Mudaliar,

I have received your telegram of May 3 enquiring whether this State is willing to adopt the War Risks (Goods) and War Risks (Factories) Insurance Schemes in force in British India.

We have already expressed our willingness to participate in these schemes of the Government of India on the basis that they will receive the premia and carry the risk. I enclose, for your information, * copies of the correspondence with the Residency in the matter.

* 1. No.Pol.1682 dated 7.3.42 from the Chief Secy to Govt. to the Secy to the Hon. the Resident.

2. No.F.89-40(2)/W.dated 9.4.42 from the Secy to the Hon. the Resident to the Chief Secy to Govt.

3. No.Pol.2002 dated 23.4.42 from the Chief Secy to Govt. to the Secy to the Hon. the Resident.

I have accordingly sent you a telegram this afternoon reading:-

"Your telegram No.220. We are quite willing to join War Risks Goods and War Risks Factories Insurance Schemes in force in British India the Government of India receiving premia and carrying risk."

Copies of your telegram and my reply have also been sent to the Residency with a request that our official communication on the subject may be transmitted to the Government of India early.

Yours sincerely,

sd. N. Madhava Rau

The Hon'ble
Dewan Bahadur Sir A. Ramaswami Mudaliar,
Member of Council,
Government of India,
NEW DELHI.

WAR RISKS INSURANCE.

Dear .....

Your Telegram (No. 220 of 7th May) enquiring whether this State is willing to adopt the War Risks (Goods) and War Risks (Factories) Insurance Schemes in force in British India.

We have already expressed our willingness to the Government of India Schemes in this behalf, the Government of India receiving the premia and carrying the risk. I enclose, for your information, copies of our correspondence with the Residency in the matter.

1) No. 201.1002 dated 7-8-1942 from the Mysore Govt. to the Residency.
2) No.F. 89-40(2)/W. dated 9-4-42 from the Resy.
3) No.Pol. 2002 dated 23-4-1942 to the Residency.

Confirmatory copies of the telegram received from you, as well of the reply sent by me thereto are also enclosed

Copies of your telegram and reply have also been sent to the Residency with a request that our official reference on the subject may be forwarded to the Government of India very early.

Yours sincerely,

(Dewan)

The Hon'ble
Dewan Bahadur
Sir A. Ramaswami Mudaliar,
Member for Commerce,
Govt. of India,

4th May 1942.

(304

Demi-one -

Dear Colonel Fraser,

WAR RISKS INSURANCE SCHEMES.

Will you please refer to the correspondence ending with your D.O. letter No.F.89-40 (2)/W. dated the 29th April 1942 on the subject of the War Risks Insurance Schemes of the Government of India?

I now enclose for your information a copy of a telegram which I have since received from the Hon'ble the Commerce Member, Government of India, and of my reply.

May I request you kindly to forward the letter of this Government No.Pol.2002 dated the 23rd April 1942 on this subject to the Government of India very early?

Yours sincerely,

Sd. N. Madhava Rau

The Hon'ble
Lieut. Col. D. de M.S. Fraser, C.I.E.,
Resident in Mysore,
BANGALORE.

(Draft approved by Finance)

War Risks Insurance Scheme.

Dear -

Will you please refer to the correspondence ending with your D.O. letter No. F. 89-40(2)/W. dated the 29th April 1942?

I now enclose for your information a copy of the telegram since received by me from the Hon'ble the Commerce Member Govt. of India, and of ~~this~~ my reply.

May I request you to kindly forward the letter of this Government No. Pol. 2002 dated the 23rd April 1942 to the Government of India very early?

Yours sincerely,

(Dewan)

The Hon'ble the Resident in Mysore,
Bangalore.

H.5330
24.6.42

SP 221-Ld-15

DEWAN'S OFFICE
22 JUN. 1942
NO. M 1483

No.35-W.R.I.(1)/42.
Government of India.
Department of Commerce.

New Delhi, the 12th June 1942.

From

S.R.Zaman, Esquire, I.C.S.,
Additional Deputy Secretary to the Govt. of India,

To

The Dewan,

Mysore.

Subject:- Insurance of Factories against War Risks.

Sir,

I am directed to refer to your telegram dated the 4th May 1942 in which the Government of Mysore expressed their willingness to join the Government of India's Scheme for the Insurance of Factories against War Risks. The number of acceptances received so far from other States also has been such that the Government of India are now prepared to proceed further with the proposal.

2. For the operation of the Scheme in Indian States two complementary proceses are required namely:-

(1) The amendment of the Government of India's War Risks (Factories) Insurance Ordinance so as to provide that where the Government of India are satisfied that an Indian State has promulgated corresponding legislation requiring the insurance against War Risks of Factories situated in such State, the Government of India will undertake to cover War Risks as defined in the War Risks (Factories) Insurance Ordinance in respect of the buildings, plant and machinery of factories situated in the State and of works under course of construction in the State in the same manner, to the same extent, and subject to the same conditions as if the factories,

etc., were situated in British India, and

(ii)-The passing of a law by the Indian State corresponding to Government of India's Ordinance requiring owners or occupiers of factories situated in the State to effect insurance against War Risks under the Government of India's Scheme.

3. As regards the first, the Government of India are taking the necessary steps and it is hoped that the amendment to the Ordinance will be promulgated very shortly. On the second point it is for the State to take action with the utmost-possible expedition. As the matter is of extreme urgency it is hoped that the Government of Mysore will take immediate action to pass the necessary law. In order to assist the State in the framing of their counterpart of the British Indian law, a copy of the British Indian Ordinance is enclosed together with a statement (annexure I) showing what adaptations are considered necessary in that Ordinance to make it suitable for issue by the State as their law.

4. The Government of India wish to draw the attention of the Government of Mysore to the following special features of the Scheme and the complementary legislation to be enacted by the States:-

(a) The Scheme provides for the pooling of the premia and other moneys receivable in connection with the Scheme in respect of property situated in the Indian States with the premia and other moneys received from British India into a common fund operated by the Government of India out of which all payments will be made. The Government of India will bear any deficit that may result from the operation of the Scheme, and equally, shall be entitled to any surplus

that.....

that may remain in the fund after all claims have been met.

(b) As the Government of India's Scheme applies to Factories as defined in the Factories Act, 1934, which is not in force in the States it is suggested that in the interests of uniformity, the corresponding State legislation should define factories and "occupiers" as in the Factories Act, 1934, of which necessary extracts have been given in Annexure I.

(c) The adaptation suggested for the State law provides that the Government of India's Scheme shall be the Scheme for the purposes of War Risks Insurance of factories in States. The contract of insurance will, therefore, be between the persons in the State concerned and the Governor-General.

(d) It follows from (c) above that the Rules in force in British India should also apply mutatis mutandis to the States and that any person authorised for any of the purposes of the Ordinance in British India, (e.g. Insurance Companies acting as Government Agents, Loss Assessors, Officers and Inspectors to check defaults and evasions) should be authorised by the for a correspondin purpose in State territory. Provision for this has also been made in the adaptation, though it is open to the States to authorise additional officers for certain of the purposes of the Ordinance.

(e) The premium payable on property situated in the State shall be the same and payable in the same manner as for similar property in British India.

(f) The Scheme will apply to the State in exactly the same way as it applies to British India.

(g) After the

passed the necessary law, it will be necessary for it to notify.....

notify under Section 5 a date (which should not be later than one month after the passing of the State law and in any case not later than the 31st August 1942, by which all factories in the State must insure, under pain of suitable penalties, and that every policy issued on an application made before that date in accordance with the provisions of the Rules in force in British India shall be deemed to have taken effect from the 1st April 1942 and shall be made out accordingly. It is requested that as soon as the State law has been passed, the Government of India should be informed by telegram and a copy of the enactment sent to this Department for information. It is also suggested that the passing of the law should be advertised as widely as possible, particularly in those areas where factories in the State are situated so that the public in the State may come to know of their obligations under the Scheme. The Rules etc. framed by the Government of India which will also apply in State territory may also be given similar publicity. It is requested that the Government of India may be informed in due course of the date fixed.

5. Section 5 of the adaptation of the Ordinance for the State provides that factories situated in the State and owned by the State itself shall be exempted from the provisions of the Scheme. It is requested that the State should decide immediately and once for all whether it desires State-owned factories to be insured as well/ If it decides to insure them, the words "a factory belonging to the State or" appearing in Section 5 of the adapted Ordinance should be omitted from the State law. The premia for all State-owned factories if insured will be payable by the State.

in which case the decision must cover all State owned factories in the State

6. I am to add that before the Government of India extend the provisions of their War Risks (Factories) Insurance

Scheme.....

Scheme to cover factories situated in the State the State shall give an undertaking effectively to preclude the suing of the Government of India (qua insurer) in the Courts of the State. As the contract of insurance will, as stated above, be between the persons in the State and the Governor General, the Government of India will insert the following condition in the policies of insurance to be issued in respect of property situated in the State:-

(i) that the contract shall be deemed to be made in British India,

(ii) that the claims under the policy shall be settled in British India, and

(iii) that the insured agrees to submit to the jurisdiction of courts in British India for all matters arising out of or in connection with the policy of insurance.

7. I am to request that in view of the urgency of the matter necessary action to give the undertaking referred to in the preceeding paragraph and to pass the complementary State law may be taken as early as possible and the Government of India informed of developments.

8. A copy of the Rules and Notification issued by the Government of India so far in connection with the Scheme is enclosed for information and publicity in the State after the corresponding State law has been passed.

I have the honour to be,
Sir,
Your most obedient servant,

S. R. Zaman

Additional Deputy Secretary to the Government of India.

B Puri 11/4

Annexure I.

The following changes seem to be necessary to adapt the Ordinance for the purposes of the Indian States:-

I. General changes:

In all Sections of the Ordinance that are retained the following general changes will be necessarry:-

(1) For references to "British India" substitute references to the "State concerned".

(2) For references to the "Central Government" substitute references to the "Ruler or the Government of the State concerned."

(3) For references to the "Ordinance" substitute "Law or Act" or some other suitable word.

II. The following detailed changes in the Ordinance are also necessary to make it suitable for the Indian States:-

Preamble to be suitably modified.

Section 1. No change except the general change mentioned above.

Section 2. Clause (b): If a low identical with the Factories Act, 1934, is not in force in the Indian States the definition of factory as given in the Factories Act, 1934, will have to be included here and all references to Clause (j) of Section 2 of the Factories Act, 1934, deleted.

The definition of "factory" in Clause (j) of Section 2 of the Factories Act, 1934, is as follows:-

"Factory" means any premises including the precincts thereof whereon twenty or more workers are working , or were working on any day in the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, but does not include a mine subject to the operation of the Indian Mines Act, 1923."

Clause (d):- This should be omitted.

Clause (f):- The full definition of the word "Occupier" will have to be given.

The definition of "occupier" in Clause (1) of Section 2 of the Factories Act, 1934, is as follows:-

"Occupier" of a factory means the person who has ultimate control over the affairs of the factory. Provided that where the affairs of a factory are entrusted to a managing agent, such agent shall be deemed to be the occupier of the factory.

Clause (j):- May be omitted.

Section 3.....

Section 3. The following may be substituted as Section 3.

"The War Risks (Factories) Insurance Scheme operated by the Government of India under that Government's War Risks (Factories) Insurance Ordinance, 1942, shall have effect in the State as fully and completely as if it had been put into operation under a law of the State".

Section 4. The proviso may be omitted, and in the first paragraph the general substitution for the word "Central Government" may be made.

Section 5. Clause (1):- For "Crown" substitute "State" and for the word "Scheme" substitute "War Risks (Factories) Insurance Scheme operated by the Government of India." No changes in Clauses 2, 3 and 4. The figure "14" should be changed to the correct figure.

Section 6 & 7. May be omitted.

Section 8. Only the general changes mentioned at the commencement need be made.

Section 9. May be omitted.

Section 10. No change, except so far as local law may require a change in the wording.

Section 11. Only the general change.

Section 12. Only the general change and also the word "fund" should be replaced by the words "War Risks (Factories) Insurance Fund constituted by the Government of India".

Section 13. No change.

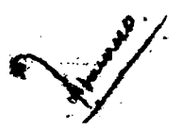
Section 14. The words "as defined in clause (j) of Section 2 of the Factories Act, 1934" may be omitted.

Section 15. Subsection (1) with necessary verbal changes may remain.

Subsection (2) may be adapted as follows:-

Subject to any other Rules or any modification that may be made in exercise of the powers under sub-section (1) of this Section, the Rules for the time being in force under the Government of India's War Risks (Factories) Insurance Ordinance, 1942 shall, *mutatis mutandis*, be deemed to be the Rules for the purposes of this law in the State and, further, all persons authorised by the Government of India under their War Risks (Factories) Insurance Ordinance, 1942, and the Rules framed thereunder for any of the purposes of that Ordinance shall be deemed to be authorised under the State law for corresponding purposes."

Section 16. May be omitted.



GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat.

No. D. 952

Dated, Bangalore, 29th July 1942.

FROM

V. Venkatachar, Esq., B.A., *Secretary to Government,*

Development Department.

The Secretariat, Bangalore, Dasara, His Highness the Maharaja of Mysore.

To

S. R. Zaman, Esq., I.C.S.,

Additional Deputy Secretary

to the Government of India,

Department of Commerce, New Delhi.

Subject: Insurance of Factories against War Risks.

Sir,

I am directed to acknowledge, with thanks, the receipt of your letter No.35- W.R.I (1)/42 dated the 12th June 1942 to the address of the Dewan and to state as follows:

Action is being taken urgently to pass an Ordinance here on the lines indicated in Annexture I to your letter referred to above, and soon after the Ordinance is issued, you will be informed of the same by telegram and a copy of enactment will also be sent to you. The State-owned factories in the State are proposed to be exempted from the provisions of the Scheme.

With reference to para 6 of your letter, I am to state that this Government hereby give an undertaking effectively to preclude the suing of the Government of India (qua insurer) in the Courts of the State.

Action will also be taken, soon after the issue of the Ordinance, to notify the date by which all factories in the State must insure, under pain of suitable penalties, and that every policy issued on an application made before that date in accordance with the Rules in force in British India shall be deemed to have taken effect from the 1st April 1942. Due publicity will also be given to the passing of the law, and to the Rules etc., framed by the Government of India

which will also apply mutatis mutandis to the State territory.

I have the honour to be,

Sir,

Your most obedient servant,

Sd. V.V.

Secretary to Government,
Development Department.

Dft

TSS.

D.952 d.29.7.42.

To
S.R. Kaman Esq.
Additional Deputy
Secretary to the Govt of India

Subject: Insurance of Factories against War Risks

Sir,

I am directed to acknowledge with thanks the receipt of your letter No. 35-W.R.I(1)/42 dated the 12th June 42 to the address of the Deputy and to state as follows.

Action is being taken urgently to pass the Ordinance on the lines indicated in Annexure I to your letter referred to above, and as soon after the Ordinance is issued you will be informed of the same by telegram. A copy of

enactment will also be
to
sent to you. The State-wise
list of factories in the State are
proposed to be exempted
from the provisions of the
Scheme
with reference to
para 6 of your letter
I am to state that
this Government hereby
give an undertaking
effectively to preclude
the question of the Govt. of
India (Ext. Affairs Deptt.)
in the Courts of the
State
in which
Action will also
be taken
after the
issue of the Ordinance,
to notify the date by
which all factories in the
State must ensure, under
pain of suitable penalties,
that every policy issued
on an application made
before that date in accordance
with the Rules in force

in British India shall be deemed to have taken effect from the 1st April 1942. Due publicity will also be given to the passing of the law, and to the Rules etc. framed by the Govt of India which mutatis mutandis will also apply to the State territory.

I have etc.

NVP
Secretary to Govt
Dev. Deptt

1. Policy to be pursued by the States, and the steps to be taken thereunder, in regard to future developments in Indian Constitutional affairs:-

Although the Cripps proposals gave some indication of the lines of the future constitutional structure, they represented only the barest outline. Under the circumstances of such a speculative future, the question as to what policy the Indian States should pursue could be answered at this stage at best in very general terms The fact has also to be borne in mind that, since the when Federation was originally conceived, certain tendencies in British India have widened the sphere of controversy between British India and the Indian States, and between the various parties and communities in British India with the result that, while it is not possible, in the absence of any definite constitutional proposals, to commit the States in advance to any definite line of action or policy, it is also inexpedient, judging from the point of view of the Indian States, to express any opinion either against or in favour of particular schemes involving in the main the future of British India. Such opinion may conceivably involve the States in controversy with one or other of the political parties in British India, with repercussions which are likely to follow the States themselves. On the basis of the above, it would suffice if at this stage the States followed line of insisting on complete freedom of action, similar to what was proposed for the Provinces under the Cripps proposals, in exercising their option with regard joining or not joining any Union with British India forming a Union or Unions among themselves or re-

out of any of the Unions so formed and either continuing under Paramountcy or negotiating with the British Crown their relationship with it and with the different Unions. In matters which primarily affect British India such as, for instance, the exercise of a similar freedom of action by the Provinces, the States should avoid even the semblance of interference by way either of support or opposition to proposals giving such freedom to the Provinces. The line indicated above appears to be the only one which the States can follow in conditions as fluid as the present, while the latitude demanded of forming a Union by themselves, if desired, will have the advantage, if British India does genuinely wish their participation, of securing better terms for them in the absence of which those of them who, may not feel strong enough to stand alone could coalesce among themselves, specially as their participation in a British Indian Union may necessitate conditions which may be found irksome by British India. The position with regard to treaty rights merits detailed examination from the point of view of (a) the method of ensuring continuance of rights where the consent of a State is not forthcoming to revision in a form desired by the Dominion Government and (b) the future of Defence both in relation to adhering and in respect of non-adhering States.

2. <u>Measures to be adopted in respect of the policy indicated by the Government of India for declaration of Martial Law</u>:-

Since the power to declare martial law in State territory can be claimed only by a Military Commander enjoying jurisdiction in such territory or any part of it by virtue of the consent of the State, it would be necessary that the State should first vest such a Commande with the necessary authority, even afte which the consent

of the Ruler should be obtained prior to such declaration whether very much in advance or not. Indemnification of the Military Commander for action under martial law would also be facilitated thereby, and such indemnification must be secured by the Government of the State by legislations or by ordinance which should be kept ready. - Liaison organisations, for consultations in respect of civil and military matters, should be created by the State for assisting and advising the Military Commander, such organisations to consist of the State's own Civil and Military officers through whom the Military Commander' orders could be conveyed.

3. Measures to be adopted in respect of Denial Policy as indicated by the Government of India:-

The denial policy now enunciated, implying as it does the abandonment of what was understood to be the -. scorched earth policy, may be accepted on the basis of the general instructions already circulated to the States, provided that the details under them are left to the State who may issue necessary instructions to their officers. The question, however, remains as to what compensation the States could demand for destruction or damage done to factories and other property owned by Government under such a denial policy. In the case of private parties, - compulsory insurance would appear to be the solution and proposals are already on foot to secure compensation for them through such compulsory insurance. From the point of view of property owned by Government, however, the implementing of the policy of denial must necessarily be accompanied by the decision that the States who have followed such a denial policy must have a share in - post war reparations to the extent of properties owned by their Governments which may have suffered destruction, damage or any loss whatsoever under that policy. This

This claim is all the more strengthened in the case of States which contribute either financially or by way of cession of territories to their defence, not to mention the case of States having even a claim by treaty to a share of the conquests achieved by their own and the British Government's united exertions.

4. War Risks Insurance:-

(a) As far as goods insurance is concerned, the States would be well advised in falling in line with the scheme, mutatis mutandis, if the demands of the local commercial community, which may have had occasion, since the recent developments of the war situation, to revise its former view justify the measure.

(b) As regards insurance of factories, the scheme as now proposed in relation to the States appears acceptable and has to be compared with the position obtaining in the State with regard to private insurance companies. The requirements of the States in respect of executive authority have been partially fulfilled while the constitutional difficulty of the jurisdiction of British Indian Courts has been surmounted (as appears to be the intention) by the formula that the insurance will be decmed to have been contracted in British India. No single State could undertake the liability of insuring all its factories against war risks and the creation of a common fond for all the States would not be feasible and would raise similar constitutional difficulties. It would, therefore, be in the interests of the States to accept the scheme as now put forward and already legislated for by a recent amendment to the original Ordinance. The point requires consideration whether the Government of India should not be asked to pay bonus after the war to those factories which have not made any claims from the surplus

remaining to the credit of the Government of India afte covering all risks and the States would be well advised in supporting such a demand if made by commercial bodies in the States.

(c) As State owned factories should be covered b reparations, they need not come under the scheme of - compulsory insurance.

5. With reference to the recent circular on the subject of the use of military uniforms by Rulers or their near relatives when inspecting troops, it would be desirable to point out that, apart from the fact that adherence to the circular would sometimes result in a Ruler or a near relative appearing in the uniform of a lesser status than his staff officer, the principle - should be observed that either junior ranks or ranks unsuited to the status of the particular Ruler should not be given to him until he attains an age when a higher rank could be given or he should not be obliged to wear uniform. Similarly, the limitation placed on State - Officers, that they should not wear uniform of a rank higher than Lieut. Colonel on such occasions, appears unnecessary.

6. As regards the recent steps taken to establish control over the import and export of foodstuffs, the States should, in their own territories, be the sole - judges of their exportable capacity while co-operating to the fullest extent in the matter of regulating export and import of such foodstuffs.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Order No. Rl 160 Legis 14-42-1 Dated, Bangalore, 8th August 1942

Ordered that the accompanying War Risks (Factories) Insurance (Emergency) Act, 1942

which received the assent of His Highness the Maharaja, on the 3rd day of August 1942, be published as Act No. XXXIV of 1942, in the *Mysore Gazette*, for general information.

BKR 8.8.42

~~General~~ *Secretary to Government.*

To

The Compiler, *Mysore Gazette*, for publication in Part IV of ~~the~~ a Khandaniya Brisine today Gazette, in English and Kannada and for supply of spare copies in English and Kannada, as per standing orders.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

Order No. R.L. 160 — Legis.14-42-1

Dated, Bangalore, 8th August 1942.

Ordered that the accompanying WAR RISKS (Factories) INSURANCE (Emergency) ACT, 1942 which received the assent of His Highness the Maharaja, on the 32d day of August 1942, be published as Act No. XXXIV of 1942, in the Mysore Gazette, for general information.

Secretary to Government,
Law Department.

To

The Compiler, Mysore Gazette, for publication in Part IV of a Gazette Extraordinary to issue to-day, in English and Kannada and for supply of spare copies in English and Kannada, as per standing orders.

Cpm/

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

The War Risks (Factories) Insurance Bill 1942

Statement of Principles

The question of providing for the insurance of factories in the State against War Risks has been under the consideration of Government. The Government of India having agreed to extend the War Risks (Factories) Insurance Scheme in force in British India to Mysore immediate action was taken to promulgate an Emergency Act for Mysore which substantially

WD 0435—GPB—10,000—17-10-33

Corresponds to the Government of India Ordinance. The Act requires owners or occupiers of factories situated in the State to effect insurance against War Risks under the Government of India Scheme; within a specified date. Factories belonging to the Government have been specifically exempted from the provisions of the Act. As the Act expires six months after Proclamation and the Continuance of the Scheme thereafter is necessary, the ~~Bill~~ Act. Bill has been proposed..

29/9

29/9/19

Order No. R. L. 160—Legis. 14-42-1, dated Bangalore, the 8th August 1942.

Ordered that the accompanying WAR RISKS (Factories) INSURANCE (Emergency) ACT, 1942, which received the assent of His Highness the Maharaja, on the 3rd day of August 1942, be published as Act XXXIV of 1942 in the *Mysore Gazette*, for general information.

C. NARAYANASWAMY NAIDU,
Secretary to Government,
Law Department.

ACT XXXIV OF 1942.

THE WAR RISKS (FACTORIES) INSURANCE EMERGENCY ACT, 1942.

(*Received the assent of His Highness the Maharaja on the third day of August 1942.*)

An Act to provide for the insurance of certain property in Mysore against war risks.

WHEREAS it is expedient the Government of His Highness the Maharaja is satisfied that circumstances exist, which render it necessary to take immediate action to provide for the insurance of certain property in Mysore against war risks;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 31 of the Government of Mysore Act, 1941 (XVIII of 1940);

It is hereby enacted as follows:—

1. (1) This Act may be called the War Risks (Factories) Insurance Emergency Act, 1942.

(2) It extends to the whole of Mysore.

(3) It shall come into force at once.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) " buildings " includes foundations, plinths, floors, staircases, tanks, engine and boiler beds and flues ;

(*b*) " factory " means any premises including the precincts thereof whereon 20 or more workers are working, or were working on any day in the preceding 12 months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, but does not include a mine subject to the operation of the Mysore Mines Act, 1906, and includes any premises including the precincts thereof which, having at any time after the 31st day of December 1938, been a factory, have not been exempted under section 11 from the provisions of section 5 of this Act ;

(*c*) " factory buildings " includes all buildings comprised in the factory, and such other buildings (including residential buildings for staff and workmen, hospitals and welfare centres) within a radius of two miles from the main factory building as are in the same ownership or occupation as the factory and are used for the purposes of the factory ;

(*d*) " insurable value " of property means the value of the property as ascertained for the purposes of insurance under this Act ;

(*e*) " occupier " of a factory has the meaning assigned to the word in clause (*l*) of section 2 of the Mysore Factories Act, 1936 ;

(*f*) " owner " of a factory includes, when parts of the property insurable under this Act in relation to the factory are owned by different persons, each such person in respect of the part owned by him ;

(*g*) " prescribed " means prescribed by rules made under this Act ;

(*h*) " property insurable under this Act " means, in relation to any factory, the factory buildings, all plant and machinery in the factory, and such other plant and machinery as may be prescribed ;

(*i*) " war risks " means such risks arising from—

(i) action taken by an enemy or action taken in combating an enemy or in repelling an imagined attack by an enemy ;

(ii) measures taken under proper authority to avoid the spreading of, or otherwise to mitigate, the

consequences of damage occurring (whether accidentally or not) as the direct result of any such action as aforesaid;

(iii) precautionary or preparatory measures taken under proper authority with a view to preventing or hindering the carrying out of any attack by an enemy, being measures involving risk to property;

(iv) precautionary or preparatory measures involving the doing of work on land and taken under proper authority in any way in anticipation of enemy action, being measures involving risk to property;

(v) precautionary or preparatory measures taken under proper authority with a view to denying facilities to an enemy, being measures involving damage to or diminution of the value of property;

as may be prescribed.

3. The War Risks (Factories) Insurance Scheme operated by the Government of India under that Government's War Risks (Factories) Insurance Ordinance, 1942, shall have effect in Mysore as fully and completely as if it had been put into operation under a law of Mysore.

4. The Government may employ or authorize the employment of any person or firm to act as its agents for any of the purposes of this Act, and may pay to persons or firms so employed such remuneration as the Government thinks fit.

5. (1) Every owner of a factory, except a factory belonging to the Government or a factory exempted under section 11 from the provisions of this Act, shall. by such date as may be specified in this behalf by the Government, by notification in the official Gazette, take out a policy of insurance against war risks issued in accordance with the War Risks (Factories) Insurance Scheme operated by the Government of India, whereby he is insured in respect of all property insurable under this Act, which appertains to the factory for a sum not less than the insurable value of such property:

Provided that, where the owner of the factory is not himself the occupier of the factory, the occupier of the factory shall, unless the owner has already taken out a policy of insurance as required by this sub-section, himself take out the policy, and in such a case the occupier shall be deemed to act as the agent of the owner and shall be entitled to receive from the owner all sums paid as premiums on the policy.

(2) The obligation imposed by sub-section (1) includes, when the owner of the factory is required by the Government to reconstruct a factory which has suffered damage, an obligation to take out an additional policy of insurance as required by the sub-section in respect of the reconstructed factory.

(3) When a factory in respect of which a policy of insurance against war risks has been taken out as required by this section is transferred from one owner to another or there is a change of occupier of the factory, the policy may be transferred to the new owner or occupier, and such new owner or occupier shall succeed to all rights and liabilities under and in relation to the policy as if the policy had been in the first instance taken out by him.

(4) Whoever contravenes the provisions of sub-section (1) or the proviso thereto, or, having taken out a policy of insurance as required by that sub-section fails to pay any instalment of premium thereon which is subsequently due, shall be punishable with fine which may extend to two thousand rupees and with a further fine which may extend to one thousand rupees for every day after the first on which the contravention or failure continues.

6. (1) Any person authorized in this behalf by the Government may, for the purpose of ascertaining whether or not the owner or occupier of a factory has taken out a policy of insurance as required by this Act in respect of all property insurable under this Act which appertains to the factory, or for the purpose of investigating the insurable value of such property, or for the purpose of estimating the damage suffered by such property,—

(*a*) require the owner or occupier of a factory to submit to him such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary, or

(*b*) at any reasonable time enter any premises or upon any property appertaining to a factory, inspect such premises or property, and require any person found therein or thereon, whom he believes to be in possession of information relevant to his investigation, to furnish to him such information as he may reasonably think necessary.

(2) Whoever wilfully obstructs any person in the exercise of his powers under this section or fails without reasonable excuse to comply with any request made thereunder shall, in respect of each occasion on which any

such obstruction or failure takes place, be punishable with fine which may extend to one thousand rupees.

(3) Whoever, in purporting to comply with his obligations under this section, knowingly or recklessly makes a statement false in a material particular, shall be punishable with fine which may extend to one thousand rupees.

7. Any instalment of premium due on a policy of insurance issued under the scheme may be recovered as an arrear of land revenue.

8. No prosecution for any offence punishable under this Act shall be instituted against any person except by or with the consent of the Government or an authority authorized in this behalf by the Government.

9. Any offence punishable under sub-section (4) of section 5 may, either before or after the institution of the prosecution, be compounded by the Government, or by any authority authorized in this behalf by the Government, on payment for credit to the War Risks (Factories) Insurance Fund constituted by the Government of India of such sum as the Government or such authority, as the case may be, thinks fit.

10. No suit, prosecutions or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

11. The Government may, by notification in the official Gazette, exempt any factory or any description of factories or any premises including the precincts thereof which have at any time after the 31st day of December, 1938, been a factory, from the provisions of section 5 and may by order declare that any factory or any description of factories so exempted may, if the owner so wishes, be insured under the War Risks (Factories) Insurance Scheme operated by the Government of India.

12. (1) The Government may, by notification in the official Gazette, make rules to carry into effect the provisions of this Act.

(2) Subject to any other rules or modifications that may be made in exercise of the powers under sub-section (1) of this section, the rules for the time being in force under the Government of India's War Risks (Factories) Insurance Ordinance, 1942 shall *mutatis mutandis* be deemed to be the rules for the purposes of this Act in Mysore and further, all persons authorized by

the Government of India under their War Risks (Factories) Insurance Ordinance, 1942, and the rules framed thereunder for any of the purposes of that ordinance shall be deemed to be authorized under this Act for corresponding purposes.

N. MADHAVA RAU,
Dewan.

No. D. 1194—*I. & C.* 68-42-1, *dated Bangalore, the 8th August* 1942.

In pursuance of sub-section (1) of Section 5 of the War Risks (Factories) Insurance (Emergency) Act, 1942 (XXXIV of 1942), the Government of His Highness the Maharaja are pleased to specify the 31st day of August, 1942, as the date for the purposes of the said sub-section.

By Order,
V. VEDAVYASACHARYA,
Secretary to Government, Development Department

(13) Repeal and Savings.

The War Risks (Factories) Insurance Emergency Act, 1942 (Act XXXIV of 1942), is hereby repealed. But any rules made, anything done and any action taken in exercise of any power conferred by or under the said Emergency Act shall be deemed to have been made, done or taken, in exercise of powers conferred by or under this Act, as if this Act had commenced on the 3rd day of August 1942

~~Price Re. 0-0-6~~

Printed by the Superintendent at the Government Press, Bangalore.

3. THE WAR RISKS (FACTORIES) INSURANCE BILL, 1942.

Statement of Principles.

Passed MG 15/10/42

The question of providing for the insurance of factories in the State against War Risks has been under the consideration of Government. The Government of India having agreed to extend the War Risks (Factories) Insurance Scheme in force in British India to Mysore, immediate action was taken to promulgate an Emergency Act which substantially corresponds to the Government of India Ordinance. The act requires owners or occupiers of factories situated in the State to effect insurance against War Risks under the Government of India scheme within a specified date. Factories belonging to the Government have been specifically exempted from the provisions of the Act. As this Act expires six months after promulgation and the continuance of the scheme thereafter is necessary, the Bill has been proposed.

THE WAR RISKS (FACTORIES) INSURANCE BILL.

A Bill to provide for the insurance of certain property in Mysore against war risks.

WHEREAS it is expedient to provide for the insurance of certain property in Mysore against war risks;

It is hereby enacted as follows:—

1. (1) This Act may be called the War Risks (Factories) Insurance ~~Emergency~~ Act, 194 .

(2) It extends to the whole of Mysore.

(3) It shall come into force at once.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "buildings" includes foundations, plinths, floors, staircases, tanks, engine and boiler beds and flues;

(*b*) "factory" means any premises including the precincts thereof whereon twenty or more workers are working, or were working on any day in the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, but does not include a mine subject to the operation of the Mysore Mines Act, 1906, and includes any premises including the precincts thereof which, having at any time after the 31st day of December 1938, been a factory, have not been exempted under section 11 from the provisions of section 5 of this Act;

(*c*) "factory buildings" includes all buildings comprised in the factory, and such other buildings (including residential buildings for staff and workmen, hospitals and welfare centres) within a radius of two miles from the main factory building as are in the same ownership or occupation as the factory and are used for the purposes of the factory;

(*d*) "insurable value" of property means the value of the property as ascertained for the purposes of insurance under this Act;

(*e*) "occupier" of a factory has the meaning assigned to the word in clause (*l*) of section 2 of the Mysore Factories Act, 1936;

(*f*) "owner" of a factory includes, when parts of the property insurable under this Act in relation to the factory are owned by different persons, each such person in respect of the part owned by him;

(*g*) "prescribed" means prescribed by rules made under this Act;

(*h*) "property insurable under this Act" means, in relation to any factory, the factory buildings, all plant and machinery in the factory, and such other plant and machinery as may be prescribed;

(*i*) "war risks" means such risks arising from—

(i) action taken by an enemy or action taken in combating an enemy or in repelling an imagined attack by an enemy;

(ii) measures taken under proper authority to avoid the spreading of, or otherwise to mitigate, the consequences of damage occurring (whether accidentally or not) as the direct result of any such action as aforesaid;

(iii) precautionary or preparatory measures taken under proper authority with a view to preventing or hindering the carrying out of any attack by an enemy, being measures involving risk to property;

(iv) precautionary or preparatory measures involving the doing of work on land and taken under proper authority in any way in anticipation of enemy action, being measures involving risk to property;

(v) precautionary or preparatory measures taken under proper authority with a view to denying facilities to an enemy, being measures involving damage to or diminution of the value of property;

as may be prescribed.

3. The War Risks (Factories) Insurance Scheme operated by the Government of India under that Government's War Risks (Factories) Insurance Ordinance, 1942, shall have effect in Mysore as fully and completely as if it had been put into operation under a law of Mysore.

4. The Government may employ or authorize the employment of any person or firm to act as its agents for any of the purposes of this Act, and may pay to persons or firms so employed such remuneration as the Government thinks fit.

5. (1) Every owner of a factory, except a factory belonging to the Government or a factory exempted under section 11 from the provisions of this Act, shall, by such date as may be specified in this behalf by the Government, by notification in the official Gazette, take out a policy of insurance against war risks issued in accordance with the War Risks (Factories) Insurance Scheme operated by the Government of India, whereby he is insured in respect of all property insurable under this Act, which appertains to the factory for a sum not less than the insurable value of such property:

Provided that, where the owner of the factory is not himself the occupier of the factory, the occupier of the factory shall, unless the owner has already taken out a

policy of insurance as required by this sub-section, himself take out the policy, and in such a case the occupier shall be deemed to act as the agent of the owner and shall be entitled to receive from the owner all sums paid as premiums on the policy.

(2) The obligation imposed by sub-section (1) includes, when the owner of the factory is required by the Government to reconstruct a factory which has suffered damage, an obligation to take out an additional policy of insurance as required by the sub-section in respect of the reconstructed factory.

(3) When a factory in respect of which a policy of insurance against war risks has been taken out as required by this section is transferred from one owner to another or there is a change of occupier of the factory, the policy may be transferred to the new owner or occupier, and such new owner or occupier shall succeed to all rights and liabilities under and in relation to the policy as if the policy had been in the first instance taken out by him.

(4) Whoever contravenes the provisions of sub-section (1) or the proviso thereto, or, having taken out a policy of insurance as required by that sub-section fails to pay any instalment of premium thereon which is subsequently due, shall be punishable with fine which may extend to two thousand rupees and with a further fine which may extend to one thousand rupees for every day after the first on which the contravention or failure continues.

6. (1) Any person authorized in this behalf by the Government may, for the purpose of ascertaining whether or not the owner or occupier of a factory has taken out a policy of insurance as required by this Act in respect of all property insurable under this Act which appertains to the factory, or for the purpose of investigating the insurable value of such property, or for the purpose of estimating the damage suffered by such property,—

(*a*) require the owner or occupier of a factory to submit to him such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary, or

(*b*) at any reasonable time enter any premises or upon any property appertaining to a factory, inspect such premises or property, and require any person found therein or thereon, whom he believes to be in possession of information relevant to his investigation, to furnish to him such information as he may reasonably think necessary.

(2) Whoever wilfully obstructs any person in the exercise of his powers under this section or fails without reasonable excuse to comply with any request made thereunder shall, in respect of each occasion on which any such obstruction or failure takes place, be punishable with fine which may extend to one thousand rupees.

(3) Whoever, in purporting to comply with his obligations under this section, knowingly or recklessly makes a statement false in a material particular, shall be punishable with fine which may extend to one thousand rupees.

7. Any instalment of premium due on a policy of insurance issued under the scheme may be recovered as an arrear of land revenue.

8. No prosecution for any offence punishable under this Act shall be instituted against any person except by or with the consent of the Government or an authority authorized in this behalf by the Government.

9. Any offence punishable under sub-section (4) of section 5 may, either before or after the institution of the prosecution, be compounded by the Government, or by any authority authorized in this behalf by the Government, on payment for credit to the War Risks (Factories) Insurance Fund constituted by the Government of India of such sum as the Government or such authority, as the case may be, thinks fit.

10. No suit, prosecutions or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

11. The Government may, by notification in the official Gazette, exempt any factory or any description of factories or any premises including the precincts thereof which have at any time after the 31st day of December, 1938, been a factory, from the provisions of section 5 and may by order declare that any factory or any description of factories so exempted may, if the owner so wishes, be insured under the War Risks (Factories) Insurance Scheme operated by the Government of India.

12. (1) The Government may, by notification in the official Gazette, make rules to carry into effect the provisions of this Act.

(2) Subject to any other rules or modifications that may be made in exercise of the powers under sub-section (1) of this section, the rules for the time being in force under the Government of India's War Risks (Factories) Insurance Ordinance, 1942 shall *mutatis mutandis* be deemed to be the rules for the purposes of this Act in Mysore and further, all persons authorized by the Government of India under their War Risks (Factories) Insurance Ordinance, 1942, and the rules framed thereunder for any of the purposes of that ordinance shall be deemed to be authorized under this Act for corresponding purposes.

13. *Repeal and Savings.*—The War Risks (Factories) Insurance Emergency Act, 1942 (Act XXXIV of 1942), is hereby repealed. But any rules made, anything done and any action taken in exercise of any power conferred by or under the said Emergency Act shall be deemed to have been made, done or taken, in exercise of powers conferred by or under this Act, as if this Act had commenced on the 3rd day of August 1942.

Fair copy

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. R 565 Legn 1942 General and Revenue Secretariat,

Dated Bangalore, 11th/12th Nov 1942.

NOTIFICATION.

Under the provisions of rule 36 of the Mysore Legislative Rules, 1941, the Dewan has been pleased to order the publication in the Gazette of the accompanying War Risks (Factories) Insurance Bill together with the Statement of Objects and Reasons.

By Order,

Secretary to Government,
Law Department.

To

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette and supply of 350 copies to the Secretariat.

Copy forwarded to the Translation Branch

Cp

conferred by or under the said Emergency Act shall be deemed to have been made, done or taken, in exercise of powers conferred by or under this Act, as if this Act has commenced on the 8th day of August 1942.

3. THE WAR RISKS (FACTORIES) INSURANCE BILL, 1942.

Statement of Objects and Reasons

~~Statement of Principles.~~

The question of providing for the insurance of factories in the State against War Risks has been under the consideration of Government. The Government of India having agreed to extend the War Risks (Factories) Insurance Scheme in force in British India to Mysore, immediate action was taken to promulgate an Emergency Act which substantially corresponds to the Government of India Ordinance. The act requires owners or occupiers of factories situated in the State to effect insurance against War Risks under the Government of India scheme within a specified date. Factories belonging to the Government have been specifically exempted from the provisions of the Act. As this Act expires six months after promulgation and the continuance of the scheme thereafter is necessary, the Bill has been proposed.

THE WAR RISKS (FACTORIES) INSURANCE BILL.

A Bill to provide for the insurance of certain property in Mysore against war risks.

WHEREAS it is expedient to provide for the insurance of certain property in Mysore against war risks;

It is hereby enacted as follows:—

Short title, Extent and commencement

1. (1) This Act may be called the War Risks (Factories) Insurance ~~Emergency~~ Act, 194

(2) It extends to the whole of Mysore.

(3) It shall come into force at once.

Definitions

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "buildings" includes foundations, plinths, floors, staircases, tanks, engine and boiler beds and flues;

(*b*) "factory" means any premises including the precincts thereof whereon twenty or more workers are working, or were working on any day in the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, but does not include a mine subject to the operation of the Mysore Mines Act, 1906, and includes any premises including the precincts thereof which, having at any time after the 31st day of December 1938, been a factory, have not been exempted under section 11 from the provisions of section 5 of this Act;

(*c*) "factory buildings" includes all buildings comprised in the factory, and such other buildings (including residential buildings for staff and workmen, hospitals and welfare centres) within a radius of two miles from the main factory building as are in the same ownership or occupation as the factory and are used for the purposes of the factory;

(*d*) " insurable value " of property means the value of the property as ascertained for the purposes of insurance under this Act ;

(*e*) " occupier " of a factory has the meaning assigned to the word in clause (*l*) of section 2 of the Mysore Factories Act, 1936 ;

(*f*) " owner " of a factory includes, when parts of the property insurable under this Act in relation to the factory are owned by different persons, each such person in respect of the part owned by him ;

(*g*) " prescribed " means prescribed by rules made under this Act ;

(*h*) " property insurable under this Act " means, in relation to any factory, the factory buildings, all plant and machinery in the factory, and such other plant and machinery as may be prescribed ;

(*i*) " war risks " means such risks arising from—

(i) action taken by an enemy or action taken in combating an enemy or in repelling an imagined attack by an enemy ;

(ii) measures taken under proper authority to avoid the spreading of, or otherwise to mitigate, the consequences of damage occurring (whether accidentally or not) as the direct result of any such action as aforesaid ;

(iii) precautionary or preparatory measures taken under proper authority with a view to preventing or hindering the carrying out of any attack by an enemy, being measures involving risk to property ;

(iv) precautionary or preparatory measures involving the doing of work on land and taken under proper authority in any way in anticipation of enemy action, being measures involving risk to property ;

(v) precautionary or preparatory measures taken under proper authority with a view to denying facilities to an enemy, being measures involving damage to or diminution of the value of property ;

as may be prescribed.

3. The War Risks (Factories) Insurance Scheme operated by the Government of India under that Government's War Risks (Factories) Insurance Ordinance, 1942, shall have effect in Mysore as fully and completely as if it had been put into operation under a law of Mysore.

4. The Government may employ or authorize the employment of any person or firm to act as its agents for any of the purposes of this Act, and may pay to persons or firms so employed such remuneration as the Government thinks fit.

5. (1) Every owner of a factory, except a factory belonging to the Government or a factory exempted under section 11 from the provisions of this Act, shall, by such date as may be specified in this behalf by the Government, by notification in the official Gazette, take out a policy of insurance against war risks issued in accordance with the War Risks (Factories) Insurance Scheme operated by the Government of India, whereby he is insured in respect of all property insurable under this Act, which appertains to the factory for a sum not less than the insurable value of such property :

Provided that, where the owner of the factory is not himself the occupier of the factory, the occupier of the factory shall, unless the owner has already taken out a

policy of insurance as required by this sub-section, himself take out the policy, and in such a case the occupier shall be deemed to act as the agent of the owner and shall be entitled to receive from the owner all sums paid as premiums on the policy.

(2) The obligation imposed by sub-section (1) includes, when the owner of the factory is required by the Government to reconstruct a factory which has suffered damage, an obligation to take out an additional policy of insurance as required by the sub-section in respect of the reconstructed factory.

(3) When a factory in respect of which a policy of insurance against war risks has been taken out as required by this section is transferred from one owner to another or there is a change of occupier of the factory, the policy may be transferred to the new owner or occupier, and such new owner or occupier shall succeed to all rights and liabilities under and in relation to the policy as if the policy had been in the first instance taken out by him.

(4) Whoever contravenes the provisions of sub-section (1) or the proviso thereto, or, having taken out a policy of insurance as required by that sub-section fails to pay any instalment of premium thereon which is subsequently due, shall be punishable with fine which may extend to two thousand rupees and with a further fine which may extend to one thousand rupees for every day after the first on which the contravention or failure continues.

power of Government to obtain information

6. (1) Any person authorized in this behalf by the Government may, for the purpose of ascertaining whether or not the owner or occupier of a factory has taken out a policy of insurance as required by this Act in respect of all property insurable under this Act which appertains to the factory, or for the purpose of investigating the insurable value of such property, or for the purpose of estimating the damage suffered by such property,—

(*a*) require the owner or occupier of a factory to submit to him such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary, or

(*b*) at any reasonable time enter any premises or upon any property appertaining to a factory, inspect such premises or property, and require any person found therein or thereon, whom he believes to be in possession of information relevant to his investigation, to furnish to him such information as he may reasonably think necessary.

(2) Whoever wilfully obstructs any person in the exercise of his powers under this section or fails without reasonable excuse to comply with any request made thereunder shall, in respect of each occasion on which any such obstruction or failure takes place, be punishable with fine which may extend to one thousand rupees.

(3) Whoever, in purporting to comply with his obligations under this section, knowingly or recklessly makes a statement false in a material particular, shall be punishable with fine which may extend to one thousand rupees.

Recovery of arrears of premium instalments

7. Any instalment of premium due on a policy of insurance issued under the scheme may be recovered as an arrear of land revenue.

limitation of Prosecutions

8. No prosecution for any offence punishable under this Act shall be instituted against any person except by or with the consent of the Government or an authority authorized in this behalf by the Government.

Composition of offences

9. Any offence punishable under sub-section (4) of section 5 may, either before or after the institution of the prosecution, be compounded by the Government, or by any authority authorized in this behalf by the Government, on payment for credit to the War Risks (Factories) Insurance Fund constituted by the Government of India of such sum as the Government or such authority, as the case may be, thinks fit.

Bar of legal proceedings

10. No suit, prosecutions or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

power to exempt factories

11. The Government may, by notification in the official Gazette, exempt any factory or any description of factories or any premises including the precincts thereof which have at any time after the 31st day of December, 1938, been a factory, from the provisions of section 5 and may by order declare that any factory or any description of factories so exempted may, if the owner so wishes, be insured under the War Risks (Factories) Insurance Scheme operated by the Government of India.

power to make rules

12. (1) The Government may, by notification in the official Gazette, make rules to carry into effect the provisions of this Act.

(2) Subject to any other rules or modifications that may be made in exercise of the powers under sub-section (1) of this section, the rules for the time being in force under the Government of India's War Risks (Factories) Insurance Ordinance, 1942 shall *mutatis mutandis* be deemed to be the rules for the purposes of this Act in Mysore and further, all persons authorized by the Government of India under their War Risks (Factories) Insurance Ordinance, 1942, and the rules framed thereunder for any of the purposes of that ordinance shall be deemed to be authorized under this Act for corresponding purposes.

Repeal and Savings

13. *Repeal and Savings.*—The War Risks (Factories) Insurance Emergency Act, 1942 (Act XXXIV of 1942), is hereby repealed. But any rules made, anything done and any action taken in exercise of any power conferred by or under the said Emergency Act shall be deemed to have been made, done or taken, in exercise of powers conferred by or under this Act, as if this Act had commenced on the 3rd day of August 1942.

THE WAR RISKS (FACTORIES) INSURANCE BILL

As passed by the Legislative Council.

A Bill to provide for the insurance of certain property in Mysore against war risks.

Whereas it is expedient to provide for the insurance of certain property in Mysore against war risks; It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the War Risks (Factories) Insurance Act, 194

(2) It extends to the whole of Mysore.

(3) It shall come into force at once.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "buildings" includes foundations, plinths, floors, staircases, tanks, engine and boiler beds and flues;

(*b*) "factory" means any premises including the precincts thereof whereon twenty or more workers are working, or were working on any day in the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, but does not include a mine subject to the operation of the Mysore Mines Act, 1906, and includes any premises including the precincts thereof which, having at any time after the 31st day of December 1938, been a factory, have not been exempted under section 11 from the provisions of section 5 of this Act;

(*c*) "factory buildings" includes all buildings comprised in the factory, and such other buildings (including residential buildings for staff and workmen, hospitals and welfare centres) within a radius of two miles from the main factory building as are in the same ownership or occupation as the factory and are used for the purposes of the factory;

(*d*) "insurable value" of property means the value of the property as ascertained for the purposes of insurance under this Act;

(*e*) "occupier" of a factory has the meaning assigned to the word in clause (*l*) of section 2 of the Mysore Factories Act, 1936;

(*f*) "owner" of a factory includes, when parts of the property insurable under this Act in relation to the factory are owned by different persons, each such person in respect of the part owned by him;

(*g*) "prescribed" means prescribed by rules made under this Act;

(*h*) "property insurable under this Act" means, in relation to any factory, the factory buildings, all plant and machinery in the factory, and such other plant and machinery as may be prescribed;

(*i*) "war risks" means such risks arising from—

(i) action taken by an enemy or action taken in combating an enemy or in repelling an imagined attack by an enemy,

(ii) measures taken under proper authority to avoid the spreading of, or otherwise to mitigate, the consequences of damage occurring (whether accidentally or not) as the direct result of any such action as aforesaid,

(iii) precautionary or preparatory measures taken under proper authority with a view to preventing or hindering the carrying out of any attack by an enemy, being measures involving risk to property,

(iv) precautionary or preparatory measures involving the doing of work on land and taken under proper authority in any way in anticipation of enemy action, being measures involving risk to property,

(v) precautionary or preparatory measures taken under proper authority with a view to denying facilities to an enemy, being measures involving damage to or diminution of the value of property,

as may be prescribed.

Application of the War Risks Factories Insurance Scheme of the Government of India to Mysore.

3. The War Risks (Factories) Insurance Scheme operated by the Government of India under that Government's War Risks (Factories) Insurance Ordinance, 1942, shall have effect in Mysore as fully and completely as if it had been put into operation under a law in force in Mysore.

Employment of agents by the Government.

4. The Government may employ or authorize the employment of any person or firm to act as its agents for any of the purposes of this Act, and may pay to persons or firms so employed such remuneration as the Government thinks fit.

Compulsory Insurance.

5. (1) Every owner of a factory, except a factory belonging to the Government or a factory exempted under section 11 from the provisions of this Act, shall, by such date as may be specified in this behalf by the Government

by notification in the official Gazette, take out a policy of insurance against war risks issued in accordance with the War Risks (Factories) Insurance Scheme operated by the Government of India, whereby he is insured in respect of all property insurable under this Act, which appertains to the factory for a sum not less than the insurable value of such property :

Provided that, where the owner of the factory is not himself the occupier of the factory, the occupier of the factory shall, unless the owner has already taken out a policy of insurance as required by this sub-section, himself take out the policy, and in such a case the occupier shall be deemed to act as the agent of the owner and shall be entitled to receive from the owner all sums paid as premiums on the policy.

(2) The obligation imposed by sub-section (1) includes, when the owner of the factory is required by the Government to reconstruct a factory which has suffered damage, an obligation to take out an additional policy of insurance as required by the sub-section in respect of the reconstructed factory.

(3) When a factory in respect of which a policy of insurance against war risks has been taken out as required by this section is transferred from one owner to another, or there is a change of occupier of the factory, the policy may be transferred to the new owner or occupier, and such new owner or occupier shall succeed to all rights and liabilities under and in relation to the policy as if the policy had been in the first instance taken out by him.

(4) Whoever contravenes the provisions of sub-section (1) or the proviso thereto, or, having taken out a policy of insurance as required by that sub-section fails to pay any instalment of premium thereon which is subsequently due, shall be punishable with fine which may extend to two thousand rupees and with a further fine which may extend to one thousand rupees for every day after the first on which the contravention or failure continues.

Power of Government to obtain information.

6. (1) Any person authorized in this behalf by the Government may, for the purpose of ascertaining whether or not the owner or occupier of a factory has taken out a policy of insurance as required by this Act in respect of all property insurable under this Act which appertains to the factory, or for the purpose of investigating the insurable value of such property, or for the purpose of estimating the damage suffered by such property,—

(*a*) require the owner or occupier of a factory to submit to him such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary, or

(*b*) at any reasonable time enter any premises or upon any property appertaining to a factory, inspect such premises or property, and require any person found therein or thereon, whom he believes to be in possession of information relevant to his investigation, to furnish to him such information as he may reasonably think necessary.

(2) Whoever wilfully obstructs any person in the exercise of his powers under this section or fails without reasonable excuse to comply with any request made thereunder shall, in respect of each occasion on which any such obstruction or failure takes place, be punishable with fine which may extend to one thousand rupees.

(3) Whoever, in purporting to comply with his obligations under this section, knowingly or recklessly makes a statement false in a material particular, shall be punishable with fine which may extend to one thousand rupees.

Recovery of arrears of premium instalments.

7. Any instalment of premium due on a policy of insurance issued under the scheme may be recovered as an arrear of land revenue.

Limitation of prosecutions.

8. No prosecution for any offence punishable under this Act shall be instituted against any person except by or with the consent of the Government or an authority authorized in this behalf by the Government.

Composition of offences.

9. Any offence punishable under sub-section (4) of section 5 may, either before or after the institution of the prosecution, be compounded by the Government, or by any authority authorized in this behalf by the Government, on payment for credit to the War Risks (Factories) Insurance Fund constituted by the Government of India of such sum as the Government or such authority, as the case may be, thinks fit.

Bar of legal proceedings.

10. No suit, prosecutions or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

Power to exempt factories.

11. The Government may, by notification in the official Gazette, exempt any factory or any description of factories or any premises including the precincts thereof which have at any time after the 31st day of December,

1938, been a factory, from the provisions of section 5 and may by order declare that any factory or any description of factories so exempted may, if the owner so wishes, be insured under the War Risks (Factories) Insurance Scheme operated by the Government of India.

Power to make rules.

12. (1) The Government may, by notification in the official Gazette, make rules to carry into effect the provisions of this Act.

(2) Subject to any other rules or modifications that may be made in exercise of the powers under sub-section (1) of this section, the rules for the time being in force under the Government of India's War Risks (Factories) Insurance Ordinance, 1942, shall *mutatis mutandis* be deemed to be the rules for the purposes of this Act in Mysore and further, all persons authorized by the Government of India under their War Risks (Factories) Insurance Ordinance, 1942, and the rules framed thereunder for any of the purposes of that ordinance shall be deemed to be authorized under this Act for corresponding purposes.

Repeal and savings.

13. The War Risks (Factories) Insurance Emergency Act, 1942 (Act XXXIV of 1942), is hereby repealed. But any rules made, anything done and any action taken in exercise of any power conferred by or under the said Emergency Act shall be deemed to have been made, done or taken, in exercise of powers conferred by or under this Act, as if this Act had commenced on the 3rd day of August 1942.

D. H. Chandrasekharaiya 16/12

PRESIDENT.
Legislative Council.

BKR
16.12.42

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Order No. Rl 730 Legis 41-42-1 Dated, Bangalore, 18th Jan 1943

Ordered that the accompanying War Risks (Factories) Insurance Act 1943

which received the assent of His Highness the Maharaja, on the 7th day of January 1943, be published as Act No. VI of 1943, in the *Mysore Gazette*, for general information.

18-1-43

~~General~~ Secretary to Government.
Law Department

To

(1) The Compiler, *Mysore Gazette*, for publication in Part IV of the Gazette, in English and Kannada and for supply of spare copies in English and Kannada, as per standing orders.

(2) Copy to the Translation Section

Hair copy

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

Order No. RL 730 /Legis.47-42-1.

Dated, Bangalore, 18th Jan. 1943.

Ordered that the accompanying War Risks (Factories) Insurance Act, 1943, which received the assent of His Highness the Maharaja, on the 7th day of January 1943, be published as Act No. VI of 1943, in the Mysore Gazette, for general information

B K Ramakrishnaiya

for Secretary to Government,
Law Department.

To

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette, in English and Kannada and for supply of spare copies in English and Kannada, as per standing orders.

Copy forwarded to the Translation Section

PR3

As passed by the Legislative Council

Act No VI of 1943

THE WAR RISKS (FACTORIES) INSURANCE BILL. Act 1943

For Act A Bill to provide for the insurance of certain property in Mysore against war risks.

(Received the assent of His Highness the Maharaja on the 5th day of January 1943)

Whereas it is expedient to provide for the insurance of certain property in Mysore against war risks; It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the War Risks (Factories) Insurance Act, 1943.

(2) It extends to the whole of Mysore.

(3) It shall come into force at once.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "buildings" includes foundations, plinths, floors, staircases, tanks, engine and boiler beds and flues;

(*b*) "factory" means any premises including the precincts thereof whereon twenty or more workers are working, or were working on any day in the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, but does not include a mine subject to the operation of the Mysore Mines Act, 1906, and includes any premises including the precincts thereof which, having at any time after the 31st day of December 1938, been a factory, have not been exempted under section 11 from the provisions of section 5 of this Act;

(*c*) "factory buildings" includes all buildings comprised in the factory, and such other buildings (including residential buildings for staff and workmen, hospitals and welfare centres) within a radius of two miles from the main factory building as are in the same ownership or occupation as the factory and are used for the purposes of the factory;

(*d*) "insurable value" of property means the value of the property as ascertained for the purposes of insurance under this Act;

(*e*) "occupier" of a factory has the meaning assigned to the word in clause (*l*) of section 2 of the Mysore Factories Act, 1936;

(*f*) "owner" of a factory includes, when parts of the property insurable under this Act in relation to the factory are owned by different persons, each such person in respect of the part owned by him;

(*g*) "prescribed" means prescribed by rules made under this Act;

(*h*) "property insurable under this Act" means, in relation to any factory, the factory buildings, all plant and machinery in the factory, and such other plant and machinery as may be prescribed;

(*i*) "war risks" means such risks arising from—

(i) action taken by an enemy or action taken in combating an enemy or in repelling an imagined attack by an enemy,

(ii) measures taken under proper authority to avoid the spreading of, or otherwise to mitigate, the consequences of damage occurring (whether accidentally or not) as the direct result of any such action as aforesaid,

(iii) precautionary or preparatory measures taken under proper authority with a view to preventing or hindering the carrying out of any attack by an enemy, being measures involving risk to property,

(iv) precautionary or preparatory measures involving the doing of work on land and taken under proper authority in any way in anticipation of enemy action, being measures involving risk to property,

(v) precautionary or preparatory measures taken under proper authority with a view to denying facilities to an enemy, being measures involving damage to or diminution of the value of property,

as may be prescribed.

Application of the War Risks Factories Insurance Scheme of the Government of India to Mysore.

3. The War Risks (Factories) Insurance Scheme operated by the Government of India under that Government's War Risks (Factories) Insurance Ordinance, 1942, shall have effect in Mysore as fully and completely as if it had been put into operation under a law in force in Mysore.

Employment of agents by the Government.

4. The Government may employ or authorize the employment of any person or firm to act as its agents for any of the purposes of this Act, and may pay to persons or firms so employed such remuneration as the Government thinks fit.

Compulsory Insurance.

5. (1) Every owner of a factory, except a factory belonging to the Government or a factory exempted under section 11 from the provisions of this Act, shall, by such date as may be specified in this behalf by the Government, by notification in the official Gazette, take out a policy of insurance against war risks issued in accordance with

the War Risks (Factories) Insurance Scheme operated by the Government of India, whereby he is insured in respect of all property insurable under this Act, which appertains to the factory for a sum not less than the insurable value of such property :

Provided that, where the owner of the factory is not himself the occupier of the factory, the occupier of the factory shall, unless the owner has already taken out a policy of insurance as required by this sub-section, himself take out the policy, and in such a case the occupier shall be deemed to act as the agent of the owner and shall be entitled to receive from the owner all sums paid as premiums on the policy.

(2) The obligation imposed by sub-section (1) includes, when the owner of the factory is required by the Government to reconstruct a factory which has suffered damage, an obligation to take out an additional policy of insurance as required by the sub-section in respect of the reconstructed factory.

(3) When a factory in respect of which a policy of insurance against war risks has been taken out as required by this section is transferred from one owner to another, or there is a change of occupier of the factory, the policy may be transferred to the new owner or occupier, and such new owner or occupier shall succeed to all rights and liabilities under and in relation to the policy as if the policy had been in the first instance taken out by him.

(4) Whoever contravenes the provisions of sub-section (1) or the proviso thereto, or, having taken out a policy of insurance as required by that sub-section fails to pay any instalment of premium thereon which is subsequently due, shall be punishable with fine which may extend to two thousand rupees and with a further fine which may extend to one thousand rupees for every day after the first on which the contravention or failure continues.

Power of Government to obtain information.

6. (1) Any person authorized in this behalf by the Government may, for the purpose of ascertaining whether or not the owner or occupier of a factory has taken out a policy of insurance as required by this Act in respect of all property insurable under this Act which appertains to the factory, or for the purpose of investigating the insurable value of such property, or for the purpose of estimating the damage suffered by such property,—

(*a*) require the owner or occupier of a factory to submit to him such accounts, books or other documents

or to furnish to him such information as he may reasonably think necessary, or

(*b*) at any reasonable time enter any premises or upon any property appertaining to a factory, inspect such premises or property, and require any person found therein or thereon, whom he believes to be in possession of information relevant to his investigation, to furnish to him such information as he may reasonably think necessary.

(2) Whoever wilfully obstructs any person in the exercise of his powers under this section or fails without reasonable excuse to comply with any request made thereunder shall, in respect of each occasion on which any such obstruction or failure takes place, be punishable with fine which may extend to one thousand rupees.

(3) Whoever, in purporting to comply with his obligations under this section, knowingly or recklessly makes a statement false in a material particular, shall be punishable with fine which may extend to one thousand rupees.

Recovery of arrears of premium instalments.

7. Any instalment of premium due on a policy of insurance issued under the scheme may be recovered as an arrear of land revenue.

Limitation of prosecutions.

8. No prosecution for any offence punishable under this Act shall be instituted against any person except by or with the consent of the Government or an authority authorized in this behalf by the Government.

Composition of offences.

9. Any offence punishable under sub-section (4) of section 5 may, either before or after the institution of the prosecution, be compounded by the Government, or by any authority authorized in this behalf by the Government, on payment for credit to the War Risks (Factories) Insurance Fund constituted by the Government of India of such sum as the Government or such authority, as the case may be, thinks fit.

Bar of legal proceedings.

10. No suit, prosecutions or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

Power to exempt factories.

11. The Government may, by notification in the official Gazette, exempt any factory or any description of factories or any premises including the precincts thereof which have at any time after the 31st day of December, 1938, been a factory, from the provisions of section 5 and may by order declare that any factory or any description

of factories so exempted may, if the owner so wishes, be insured under the War Risks (Factories) Insurance Scheme operated by the Government of India.

Power to make rules.

12. (1) The Government may, by notification in the official Gazette, make rules to carry into effect the provisions of this Act.

(2) Subject to any other rules or modifications that may be made in exercise of the powers under sub-section (1) of this section, the rules for the time being in force under the Government of India's War Risks (Factories) Insurance Ordinance, 1942, shall *mutatis mutandis* be deemed to be the rules for the purposes of this Act in Mysore and further, all persons authorized by the Government of India under their War Risks (Factories) Insurance Ordinance, 1942, and the rules framed thereunder for any of the purposes of that ordinance shall be deemed to be authorized under this Act for corresponding purposes.

Repeal and savings.

13. The War Risks (Factories) Insurance Emergency Act, 1942 (Act XXXIV of 1942), is hereby repealed. But any rules made, anything done and any action taken in exercise of any power conferred by or under the said Emergency Act shall be deemed to have been made, done or taken, in exercise of powers conferred by or under this Act, as if this Act had commenced on the 3rd day of August 1942.

(Sd) N. Madhava Rao
Dewan

ORDINANCE No. XII OF 1942

An Ordinance to provide for the insurance of certain property in British India against war risks.

(Published in the Gazette of India Extraordinary, dated the 8th April, 1942.)

WHEREAS an emergency has arisen which makes it necessary to provide for the insurance of certain property in British India against war risks ;

NOW, THEREFORE, in exercise of the powers conferred by section 72 of the Government of India Act, as set out in the Ninth Schedule to the Government of India
26 Geo. 5, c. 2. Act, 1935, the Governor General is pleased to make and promulgate the following Ordinance :—

1. (*1*) This Ordinance may be called the War Risks (Factories) Insurance Ordinance, 1942. Short title, extent and commencement.

(*2*) It extends to the whole of British India.

(*3*) It shall come into force at once.

2. In this Ordinance, unless there is anything repugnant in the subject or context,— Definitions.

(*a*) " buildings " includes foundations, plinths, floors, staircases, tanks, engine and boiler beds, chimneys and flues ;

(*b*) " factory " means a factory as defined in clause (*j*) of section 2 of the Factories Act, 1934,
XXV of 1934. and includes any premises including the precincts thereof which, having at any time after the 31st day of December, 1938, been a factory as defined in clause (*j*) of section 2 of the said Act, have not been exempted under section 14 from the provisions of section 5 of this Ordinance ;

(*c*) " factory buildings " includes all buildings comprised in the factory, and such other buildings (including residential buildings for staff and workmen, hospitals and welfare centres) within a radius of two miles from the main factory building as are in the same ownership or occupation as the factory and are used for the purposes of the factory ;

(*d*) " the Fund "

Price anna 1 or 1½d.

(*d*) "the Fund" means the War Risks (Factories) Insurance Fund constituted under section 7;

(*e*) "insurable value" of property means the value of the property as ascertained for the purposes of insurance under this Ordinance;

(*f*) "occupier" of a factory has the meaning assigned to the word in clause (*l*) of section 2 of the Factories Act, 1934; XXV of 1934.

(*g*) "owner" of a factory includes, when parts of the property insurable under this Ordinance in relation to the factory are owned by different persons, each such person in respect of the part owned by him;

(*h*) "prescribed" means prescribed by rules made under this Ordinance;

(*i*) "property insurable under this Ordinance" means, in relation to any factory, the factory buildings, all plant and machinery in the factory, and such other plant and machinery as may be prescribed;

(*j*) "the Scheme" means the War Risks (Factories) Insurance Scheme referred to in sub-section (*1*) of section 3;

(*k*) "war risks" means such risks arising from—

(*i*) action taken by an enemy or action taken in combating an enemy or in repelling an imagined attack by an enemy,

(*ii*) measures taken under proper authority to avoid the spreading of, or otherwise to mitigate, the consequences of damage occurring (whether accidentally or not) as the direct result of any such action as aforesaid,

(*iii*) precautionary or preparatory measures taken under proper authority with a view to preventing or hindering the carrying out of any attack by an enemy, being measures involving risk to property,

(*iv*) precautionary or preparatory measures involving the doing of work on land and taken under proper authority in any way in anticipation of enemy action, being measures involving risk to property,

(*v*) precautionary or preparatory measures taken under proper authority with a view to denying facilities to an enemy, being measures involving damage to or diminution of the value of property,

as may be prescribed.

3. (*1*) The

War Risks (Factories) Insurance Scheme.

3. (*1*) The Central Government may, by notification in the official Gazette, put into operation a scheme to be called the War Risks (Factories) Insurance Scheme, whereby the Central Government undertakes in relation to factories the liabilities of insuring against war risks, to the extent provided by and subject to the provisions of this Ordinance, property insurable under this Ordinance which appertains to a factory.

(*2*) The Scheme may be such as to provide for the undertaking by the Central Government of its liabilities under the Scheme as from a date anterior to the inauguration of the Scheme, or to the commencement of this Ordinance.

(*3*) The Scheme may extend to the undertaking by the Central Government in relation to any person in British India of the liability of insuring such person against war risks in respect of any property insurable under this Ordinance which is not owned by him but in which he has an interest, up to the extent of such interest

(*4*) The Scheme shall be such as to secure—

(*a*) that the liability of the Central Government as insurers shall not extend to more than eighty per cent. of the insurable value of the property insurable,

(*b*) that in respect of each claim the insured shall bear the first one thousand rupees or twenty per cent. of the claim, whichever is greater,

(*c*) that any liability of the Central Government as insurers under the Scheme is determined by a policy of insurance issued in the prescribed form and in respect of a prescribed period by a person acting on behalf of the Central Government,

(*d*) that any premium under a policy so issued is payable at such rate as may for the time being be prescribed.

(*5*) The Scheme may provide—

(*a*) for undertaking in relation to works in course of construction which when completed will become factories, the same liabilities as are undertaken by the Scheme in relation to factories;

(*b*) that the payments due under a policy of insurance issued under the Scheme may, at the option of the Central Government, take either of the following forms, namely:—

(*i*) payment, within the limits of the liability assumed by the Central Government and

in

in such manner and by such instalments as the Central Government may think fit, of the cost necessary to restore the property as far as practicable to the condition in which it existed before the occurrence of the damage, or

(*ii*) compensation, within the aforesaid limits, for the loss in value, ascertained on the basis of values and prices ruling at the time at which the policy of insurance was taken out, or at which the loss occurred, whichever is less, suffered by the property as a result of the damage, after due allowance has been made for depreciation during the current period of insurance cover;

(*c*) for the postponement in accordance with prescribed principles of payments due under a policy of insurance issued under the Scheme in respect of any damage sustained by property insured thereunder;

(*d*) for making it an express or implied condition of any policy of insurance issued under the Scheme—

(*i*) that the owner or occupier of a factory shall comply with all regulations or instructions made or issued under the authority of Government for safeguarding the property against damage from war risks, or

(*ii*) that, where the Central Government exercises its option to pay the cost necessary to restore the property to its original condition, the owner of the factory shall, if so required by the Central Government, reconstruct the factory or remove the factory to and reconstruct it in another locality.

(*6*) Different rates of premium may be prescribed under sub-section (*4*) for the purpose of differentiating from other factories and other property insurable under this Ordinance—

(*a*) factories established after the inauguration of the Scheme,

(*b*) property insurable under this Ordinance which consists of additions made after the inauguration of the Scheme to the property insurable under this Ordinance appertaining to a factory,

(*c*) property insurable under this Ordinance which consists of restorations or reconstructions of property insurable under this Ordinance which has after the inauguration of the Scheme suffered damage or destruction arising from a war risk.

4. The

Employment of agents by the Central Government.

4. The Central Government may employ or authorize the employment of any person or firm to act as its agents for any of the purposes of this Ordinance, and may pay to persons or firms so employed such remuneration as the Central Government thinks fit:

Provided that no person or firm shall be so employed unless that person or firm is either—

(*a*) a member of an association prescribed in this behalf, or

(*b*) a person who in British India has a standing contract with underwriters who are members of the Society of Lloyd's whereby such person is authorized within the terms of such contract to issue protection notes, cover notes or other documents granting insurance against war risks.

Compulsory insurance.

5. (*1*) Every owner of a factory, except a factory belonging to the Crown or a factory exempted under section 14 from the provisions of this Ordinance, shall by such date as may be specified in this behalf by the Central Government, by notification in the official Gazette, take out a policy of insurance against war risks issued in accordance with the Scheme, whereby he is insured in respect of all property insurable under this Ordinance which appertains to the factory for a sum not less than the insurable value of such property:

Provided that, where the owner of the factory is not himself the occupier of the factory, the occupier of the factory shall, unless the owner has already taken out a policy of insurance as required by this sub-section, himself take out the policy, and in such a case the occupier shall be deemed to act as the agent of the owner and shall be entitled to receive from the owner all sums paid as premiums on the policy.

(*2*) The obligation imposed by sub-section (*1*) includes, when the owner of the factory is required by the Central Government to reconstruct a factory which has suffered damage, an obligation to take out an additional policy of insurance as required by the sub-section in respect of the reconstructed factory.

(*3*) When a factory in respect of which a policy of insurance against war risks has been taken out as required by this section is transferred from one owner to another or there is a change of occupier of the factory, the policy may be transferred to the new owner or occupier, and such new owner or occupier shall succeed to all rights and liabilities under and in relation to the policy as if the policy had been in the first instance taken out by him.

(*4*) Whoever

(*4*) Whoever contravenes the provisions of sub-section (*1*) or the proviso thereto, or, having taken out a policy of insurance as required by that sub-section, fails to pay any instalment of premium thereon which is subsequently due, shall be punishable with fine which may extend to two thousand rupees and with a further fine which may extend to one thousand rupees for every day after the first on which the contravention or failure continues.

Restriction on carrying on certain insurance business.

6. (*1*) After the date on which the Scheme is put into operation, no person shall, except as a person authorized by the Central Government as their agent to issue policies in pursuance of the Scheme, carry on the business of insuring factories in British India against war risks in respect of property insurable under this Ordinance.

(*2*) Whoever contravenes the provisions of sub-section (*1*) shall be punishable with fine which may extend to five thousand rupees and with a further fine which may extend to one thousand rupees for every day after the first on which the contravention continues.

War Risks (Factories) Insurance Fund.

7. (*1*) The Central Government shall establish a fund for the purposes of this Ordinance to be called the War Risks (Factories) Insurance Fund into which shall be paid all sums received by the Central Government by way of insurance premiums under the Scheme or by way of payments made on composition of offences under section 12, and out of which shall be paid all sums required for the discharge by the Central Government of any of its liabilities under the Scheme, or for payments by the Central Government under section 9, or for the payment by the Central Government of the remuneration and expenses of agents employed for the purposes of the Scheme.

(*2*) If at any time when a payment is to be made out of the Fund the sum standing to the credit of the Fund is less than the sum required for the making of that payment, an amount equal to the deficiency shall be paid into the Fund as an advance out of general revenues.

(*3*) If at any time the amount standing to the credit of the Fund exceeds the sum which, in the opinion of the Central Government, is likely to be required for the making of payments out of the Fund, the excess shall be paid into general revenues.

(*4*) The Central Government shall prepare in such form and manner as may be prescribed and shall publish either annually, or at such shorter intervals as may be prescribed, an account of all sums received into and paid out of the Fund.

Power of Central Government to obtain information.

8. (*1*) Any person authorized in this behalf by the Central Government may, for the purpose of ascertaining whether or not the owner or occupier of a factory has taken out a policy of insurance as required by this Ordinance

Ordinance in respect of all property insurable under this Ordinance which appertains to the factory, or for the purpose of investigating the insurable value of such property, or for the purpose of estimating the damage suffered by such property,—

(*a*) require the owner or occupier of a factory to submit to him such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary, or

(*b*) at any reasonable time enter any premises or upon any property appertaining to a factory, inspect such premises or property, and require any person found therein or thereon, whom he believes to be in possession of information relevant to his investigation, to furnish to him such information as he may reasonably think necessary.

(*2*) Whoever wilfully obstructs any person in the exercise of his powers under this section or fails without reasonable excuse to comply with any request made thereunder shall, in respect of each occasion on which any such obstruction or failure takes place, be punishable with fine which may extend to one thousand rupees.

(*3*) Whoever, in purporting to comply with his obligations under this section, knowingly or recklessly makes a statement false in a material particular, shall be punishable with fine which may extend to one thousand rupees.

Payments towards cost of removal and reconstruction of factory.

9. Where the Central Government requires the owner of a factory to remove the factory and to reconstruct it in another locality, the Central Government shall make to such owner out of the Fund such payments, in addition to any sum payable under the policy of insurance, as it considers sufficient to defray the cost of the removal and, if necessary, the replacement of any part of the property in respect of which no compensation is payable.

Recovery of arrears of premium instalments.

10. Any instalment of premium due on a policy of insurance issued under the Scheme may be recovered as an arrear of land-revenue.

Limitation of prosecutions.

11. No prosecution for any offence punishable under this Ordinance shall be instituted against any person except by or with the consent of the Central Government or an authority authorized in this behalf by the Central Government.

Composition of offences.

12. Any offence punishable under sub-section (*4*) of section 5 may, either before or after the institution of the prosecution, be compounded by the Central Government, or by any authority authorized in this behalf by the Central Government, on payment for credit to the Fund of such sum as the Central Government or such authority, as the case may be, thinks fit.

13. No

Bar of legal proceedings.

13. No suit, prosecutions or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Ordinance.

Power to exempt factories.

14. The Central Government may, by notification in the official Gazette, exempt any factory or any description of factories or any premises including the precincts thereof which have at any time after the 31st day of December, 1938, been a factory as defined in clause (*j*) of section 2 of the Factories Act, 1934, from the provisions of section 5 and may by order declare that any factory or any description of factories so exempted may, if the owner so wishes, be insured under the Scheme. XXV of 1934.

Power to make rules.

15. (*1*) The Central Government may, by notification in the official Gazette, make rules to carry into effect the provisions of this Ordinance.

(*2*) Without prejudice to the generality of the foregoing power, such rules may—

(*a*) prescribe the method of ascertaining the value of property for the purposes of insurance under this Ordinance ;

(*b*) prescribe the plant and machinery other than plant and machinery in the factory which shall be properly insurable under this Act ;

(*c*) prescribe the risks which shall be deemed to be war risks for the purposes of clause (*k*) of section 2 ;

(*d*) prescribe the forms of the policies of insurance referred to in clause (*c*) of sub-section (*4*) of section 3 and the period in respect of which such policies shall be issued ;

(*e*) prescribe the associations referred to in clause (*a*) of the proviso to section 4 ;

(*f*) prescribe the form of and the manner of preparing the account referred to in sub-section (*4*) of section 7.

Power of Central Government to extend Ordinance and Scheme to certain insurance projects.

16. (*1*) The Central Government may, by notification in the official Gazette, declare that the provisions of this Ordinance and of the Scheme made thereunder shall apply to the insuring against war risks of—

(*a*) the machinery above ground appertaining to mines, as defined in the Indian Mines Act, 1923, IV of 1923.

(*b*) the distribution systems of gas supply undertakings, or

(*c*) the whole or a specified part of the distribution and transmission systems, sub-stations, switch houses and transformer houses of electric supply undertakings generally, or of specified electric supply undertakings,

as

as they apply to property insurable under this Ordinance which appertains to a factory.

(2) In interpreting this Ordinance as applied by a notification under clause (*a*) of sub-section (*1*) to mines, references to the owner of a factory shall be read as references to the owner or agent of a mine as defined in the Indian Mines Act, 1923, and references to the occupier of a factory shall be read as references to the manager of a mine for the purposes of the Indian Mines Act, 1923.

IV of 1923.

IV of 1923.

LINLITHGOW,
Viceroy and Governor General.

GIPD—L 44 LD—23-4-42—3,450.

DEPARTMENT OF COMMERCE

NOTIFICATION

WAR RISKS INSURANCE

New Delhi, the 18th April 1942

No. 1-W.R.I.F./42.—In exercise of the powers conferred by section 14 of the War Risks (Factories) Insurance Ordinance, 1942 (No. XII of 1942), the Central Government is pleased to exempt from the provisions of section 5 of the said Ordinance—

(*i*) any premises including the precincts thereof which have at any time after the 31st day of December 1938 been a factory as defined in clause (*j*) of section 2 of the Factories Act, 1934 (XXV of 1934) and which have been dismantled, and

(*ii*) any premises including the precincts thereof which are in part a factory and in part used for the purposes of another trade or business, the number of workers ordinarily working on the factory part of the premises being less than one-fifth of the number of persons employed on the other part of the premises for the purposes of the other trade or business.

A. H. LLOYD,
Secy. to the Govt. of India.

No. 45-W. R. I. (4)/42.

Copy forwarded to :—

The Secretary to the Financial Commissioner, Burma.
All Provincial Governments.
All Chief Commissioners.
All Departments of the Government of India (including the Military Finance, Defence Co-ordination and the Supply Department) and the Political Department.
The Central Board of Revenue.
The Private Secretary to H. E. the Viceroy; Secretary to the Governor-General's Executive Council.
The D. G., C. I. and S., Calcutta.
The Bombay Insurance Associations, 6, Rampart Row, Bombay.
The Indian Insurance Companies Association, 102-A, Clive Street, Calcutta.
The Madras Fire Insurance Association, 2—6, Second Line Beach, Madras.
The Calcutta Insurance Association, Royal Exchange, Calcutta.
The Indian Insurance Companies Association, Industrial Assurance Buildings, Church Gate, Bombay.
The Secretary, Economic Resources Board.
The Economic Adviser to the Government of India.
The High Commissioner for India, Trade Department, London.
The Indian Government Trade Commissioners, Mombasa, New York, Alexandria, Toronto, and Sydney.
The Indian Trade Agent, Kabul.
The Canadian Government Trade Commissioner, Calcutta.
The American Consulate General, Calcutta.
The Royal Consulate General of Egypt, Bombay.
The Netherlands Consul-General, Simla.
His Majesty's Trade Commissioners in India, Calcutta and Bombay.
The Chief Censor.
The Director, Federation of British Industries, London.
The Federation of Indian Chambers of Commerce and Industry.
The Associated Chambers of Commerce of India.
All recognised Chambers of Commerce and Associations in India.
The East India Cotton Association, Ltd.
The Deputy Controller, Reserve Bank of India, Bombay.
The Special Officers, War Risks Insurance.
The Auditor General of India.
The Accountants General, Bombay, Madras, Bengal and Central Revenues.
The Secretary, Economic and Overseas Department, India Office, Whitehall, London.
The Colonial Secretary, Straits Settlements, Singapore.
The Deputy Commissioner, Civil Defence, Rangoon, Burma.
The Secretary, War Risks Insurance Advisory Committee, 6, Rampart Row, Fort, Bombay.

By order, etc.,

N. N. WANCHOO,
Officer on Special Duty.

GIPD—L24CD—27-4-42—500.

DEPARTMENT OF COMMERCE

NOTIFICATIONS

WAR RISKS INSURANCE

New Delhi, the 2nd May 1942

No. 2-W.R.I. (F)/42.—In exercise of the powers conferred by section 15 of the War Risks (Factories) Insurance Ordinance, 1942 (No. XII of 1942), the Central Government is pleased to make the following rules, namely:—

1. (1) These rules may be called the War Risks (Factories) Insurance Rules, 1942.

(2) They extend to the whole of British India.

2. In these rules, unless there is anything repugnant in the subject or context,—

(*i*) "Government Agent" means any person or firm employed under section 4 to act as agent of the Central Government for any of the purposes of the Ordinance;

(*ii*) "Ordinance" means the War Risks (Factories) Insurance Ordinance, 1942;

(*iii*) "Policy" means a policy of insurance issued under the Scheme, and includes the supplementary policies referred to in rule 5;

(*iv*) "Quarter" means a period of three months commencing on the first day of March, June, September or December;

(*v*) "section" means a section of the Ordinance.

3. For the purposes of the Ordinance and these Rules—

(1) the following risks shall be war risks, namely, the risks of—

(*a*) damage occurring (whether accidentally or not) as the direct result of action taken by the enemy, or action taken in combating the enemy or in repelling an imagined attack by the enemy;

(*b*) damage occurring (whether accidentally or not) as the direct result of measures taken under proper authority to avoid the spreading of, or otherwise to mitigate, the consequences of such damage as aforesaid;

(*c*) accidental damage occurring as the direct result—

(i) of any precautionary or preparatory measures taken under proper authority with a view to preventing or hindering the carrying out of any attack by the enemy, or

(ii) of precautionary or preparatory measuers involving the doing of work on land and taken under proper authority in any way in anticipation of enemy action,

being in either case, measures involving risk to property;

(*d*) damage occurring (whether accidentally or not) as the direct result of precautionary or preparatory measures taken under proper authority with a view to denying facilities to an enemy, being measures involving damage to or diminution of the value of property:

Provided that the measures mentioned in sub-clause (*c*) do not include the imposing of restrictions on the display of lights or measures taken for training purposes;

(2) such action against the enemy as is referred to in sub-clause (*a*) of clause (1)—

(a) shall, in relation to any ship or aircraft taking part in such action, be deemed to continue until the ship or aircraft has returned to its base;

(b) includes naval, military or air reconnaissances and patrols.

4. Every policy shall be in the Form given in the First Schedule to these Rules, and shall be in respect of a period ending on the 31st day of March 1944.

5. (1) Every policy shall be in respect of property insurable under the Ordinance appertaining to a single factory.

(2) If during the currency of a policy, any additions are made to the property insurable under the Ordinance appertaining to the factory, a supplementary policy shall be taken out in respect of such additions with effect from the beginning of the quarter in which they are made.

(3) If a policy is in relation to works in course of construction which when completed will be a factory, a supplementary policy shall be taken out with effect from the beginning of every quarter in which the insurable value of the property insurable under the Ordinance has increased or is expected to increase.

6. (1) The premium payable under any policy in respect of property which on the 20th May 1942 was insurable under the Ordinance, shall be four per cent. of the insurable value of the property and shall be paid in eight equal instalments as hereinafter prescribed:—

(a) where the application for insurance is made before the 1st June 1942, the first instalment shall be payable along with the application and the other seven instalments shall be payable on or before the first day of each succeeding quarters.

(b) where the application for insurance is made on a date later than the 31st May 1942, it shall be accompanied by all the instalments that would have been payable by that date under the

preceding clause if the application had been made before the 1st June 1942, and the remaining instalments shall be payable on or before the first day of each succeeding quarter.

(2) The premium payable under any policy issued in respect of property which on the 20th May 1942 was not insurable under the Ordinance shall be payable at such rate and in such instalments as may be fixed by the Central Government by notification in the Official Gazette.

7. For the purposes of insurance under the Ordinance, the insurable value of property shall be ascertained in accordance with the following principles:—

(a) The insurable value shall be the actual value or in the case of works in course of construction, the estimated value, of the property on the relevant date after making due allowance for any depreciation.

(b) All plant and machinery which is part of the property to be insured under the Scheme shall be valued as part of a going concern and not as scrap.

(c) The relevant date referred to in clause (a) shall be—

(*i*) in relation to factories which on the 20th May 1942 were insurable under the Ordinance and factories established after that date—

The date on which the application for insurance is made, and

(*ii*) in relation to works in course of construction and additions made to property insurable under the Ordinance—

the last day of the quarter in which the application for insurance is made.

8. (1) Every application for insurance under the Scheme shall be in duplicate with the form given in Part A or Part B of the Third Schedule to these Rules according as the application is for an original or a supplementary policy, and shall be made to a Government Agent or to such officer as may be authorised by a Government Agent in this behalf.

(2) Every such application shall be accompanied by the requisite instalment or instalments of the premium calculated in accordance with the provisions of rules 6 and 7, which amount may be remitted by bank draft, cheque, money order or postal order, or delivered in cash.

NOTE 1.—The applicant may, if he so desires, remit more than the requisite instalments of the premium along with his application.

NOTE 2.—Where the remittance is by cheque, the amount, if any, charged by the Government Agents's bank as collection charges shall be deducted from the amount of the cheque, and the applicant given credit only for the balance.

9. (1) Every policy issued on an application made before 20th May 1942, in accordance with the provisions of rule 8 shall be deemed to have taken effect from the 1st April 1942 and shall be made out accordingly.

(2) Every policy issued on an application made on or after the 20th May 1942 shall take effect from the date of receipt of the application by the Government Agent, or, as the case may be, the officer authorised by the Government Agent, or on and from the date given in the application as the date on which the insurance is to commence, whichever is later, and shall be made out accordingly.

(3) Where any property insurable under the Ordinance is or has been damaged or destroyed from War risks before the 20th May 1942, the owner or occupier of a factory or any other person interested in the property may make an application before the 20th May 1942, in accordance with the provisions of rule 8 for insuring the property under the Scheme for a sum equal to the insurable value of the property on the date immediately preceding the date on which the property is or has been so damaged or destroyed, and on such application being made, a policy, taking effect from the 1st April, 1942, shall be issued to the person making the application.

10. (1) If no amount accompanies the application for insurance the application if otherwise in order may be kept in suspense pending the receipt of the requisite instalments of the premium, and on receipt thereof, a policy of insurance shall be issued on such application, and shall take effect from the date of receipt of the premium or on and from the date given in the application as the date on which the insurance is to commence, whichever is later:

Provided that if the application was made before the 20th May 1942 and the requisite premium was also received before that date, the policy shall be deemed to take effect from the 1st April, 1942.

(2) If the application for insurance is not received in accordance with the prescribed form, the amount accompanying the application may be retained by the Government Agent and the application returned to the applicant for necessary correction and resubmission. A policy of insurance shall be issued on receipt of such application correctly made out in accordance with the prescribed form and that policy shall take effect from the date of receipt of the application so made out, or on and from the date given in the application as the date on which the insurance is to commence whichever is later:

Provided that if the requisite premium and the application in the correct form are both received before the 20th May 1942 the policy shall be deemed to take effect from the 1st April 1942.

11. The Government Agent shall issue a policy of insurance as soon as possible after the receipt of an application in accordance with the provisions of rule 8:

Provided that—

(a) if the application shows that the applicant has taken out an insurance in respect of the same property or any part thereof against fire, or accident risks with any other insurance company, the Government Agent may, in his discretion, postpone the issue of the policy until enquiries have been made from that company; and

(b) if the premium is remitted by cheque, the Government Agent may, in his discretion, postpone the issue of the policy until the cheque has been cashed.

12. In the event of the loss of a policy a duplicate policy will not be issued, but if it is satisfactorily proved that a policy has been issued, the absence of that policy will not be a bar to a claim under it.

13. The following Associations are prescribed for the purpose of clause (a) of the proviso to section 4:—

1. The Indian Insurance Companies Association, Industrial Assurance Building, Churchgate, Bombay.
2. The Indian Insurance Companies Association, 102-A, Clive Street, Calcutta.
3. The Calcutta Insurance Association, Royal Exchange Place, Calcutta.
4. The Madras Fire Insurance Association, 2—6, Second Line Beach, Madras.
5. The Bombay Fire Insurance Association, Rampart Row, Fort, Bombay.
6. The Fire Salvage Association of Bombay, Limited, Bombay.
7. The Bombay Accident Insurance Association, Bombay.
8. The Bombay Underwriters' Association, Bombay.

14. (1) All claims shall be submitted in writing in the Form given in the Fourth Schedule to these Rules to the Government Agent concerned within the time specified in condition 4 of the Conditions set forth in the Second Schedule to these Rules.

(2) On receipt of a claim, the Government Agent shall have it verified, and the loss or damage, if any, assessed by a person who is for the time being included in the list of recognised Loss Assessors issued and maintained by the Central Government in this behalf or if the Central Government so directs, by such person or persons as may be specially deputed by it for the purpose:

Provided that in case of loss or damage in a district where none of the Loss Assessors included in the list of recognised Loss Assessors resides or is present, such verification and assessment shall be made by a person who may be deputed for the purpose either by any of the Associations specified in rule 13 or by any of the Special Officers, War Risks (Factories) Insurance.

(3) As soon as the Loss Assessor has verified the claim and assessed the loss or damage, if any, he shall report thereon to the Government Agent who shall after such further verification as he thinks fit to make, forward the report, with his remarks and recommendation, to the Secretary to the Government of India in the Department of Commerce through the Accounts Officer to whom the counterfoil of the policy was sent.

15. (1) Where it is established to the satisfaction of Government that insurance under the Scheme has been taken out separately by the owner and the occupier of a factory in respect of the same property, the policy taken out by the occupier may be cancelled and a refund of premium allowed to him unless he has recovered the premium from the owner in which case the refund may be made to the owner.

(2) Notwithstanding anything contained in these Rules, where a policy has been taken out in respect of any property insurable under the Ordinance appertaining to a factory or other premises and that factory or premises is subsequently exempted from the provisions of section 5 and the insurance is not continued by the person taking out the policy, the policy shall be cancelled with effect from the date on which the exemption is notified and no further instalments of premium shall be payable in respect of it, nor shall any refund of premium be payable in respect of the period, if any, up to the day before the next instalment is due.

(3) No refund of premium shall be allowed in respect of any policy issued under the Scheme except as provided in sub-rules (1) and (2).

16. An account of all sums received into and paid out of the Fund shall be prepared in the Form set forth in the Fifth Schedule to these Rules and shall be published annually.

FIRST SCHEDULE.

(See rule 4.)

Policy No.....

Supplementary to Policy No.....

GOVERNMENT OF INDIA.

WAR RISKS (FACTORIES) INSURANCE ORDINANCE, 1942.

Policy of Insurance in respect of properties Insurable Thereunder.

This Policy and the Specification hereto (which forms an integral part of this Policy) shall be read together as one contract, and the words and expressions to which specific meanings have been attached in the Specification shall bear those meanings wherever they may appear.

THE SPECIFICATION.

The Governor General. The Governor General of India in Council.

The Government Agent.....

The Insured.....

Address.....

The Insured's business.....

The Property Insured: Property insurable under the Ordinance.....

Description and Situation of Property Insured

.....

Sum for which Insured:

(a) Buildings. Rs.....

(b) Plant & Machinery. Rs.....

Total Rs.....

Period of Insurance:

From the.....day of.....194

to the Thirtyfirst day of March 1944.

The Premium: Rs.....

First Instalment of Premium Rs.....

Received on the.....day of.....194 .

Subsequent instalments of the Premium of Rs.....are payable as under:—

2nd instalment—1st June 1942.

3rd instalment—1st September 1942.

4th instalment—1st December 1942.

5th instalment—1st March 1943.

6th instalment—1st June 1943.

7th instalment—1st September 1943.

8th instalment—1st December 1943.

No days of grace are allowed.

WHEREAS the Insured has made and forwarded to the Government Agent a signed application for insurance, which application he has agreed shall be the basis of this Policy, and has paid the amount of the first instalment of premium.

Now this Policy witnesseth that in consideration of the Insured paying to the Governor General the said first instalment of premium and subject to the payment of all subsequent instalments of premium as they become due, the Governor General agrees (subject to the conditions contained in the Second Schedule to the War Risks (Factories) Insurance Rules which conditions shall, so far as the nature of them respectively will permit, be deemed to be conditions precedent to the right of the insured to recover hereunder) that if during the period of insurance stated above the property insured or any part of such property shall suffer any loss or damage, being loss or damage caused by any act comprised in the expression "War Risks" as defined for the time being by the said Rules, the Governor General will at his option,—

(a) pay, within the limits of liability assumed by him, and in such manner and by such instalments as is provided for in the Rules, the cost necessary to restore the property as far as practicable to the condition in which it existed before the occurrence of the damage,

or

(b) compensate, within the aforesaid limits, for the loss in value, ascertained on the basis of values and prices ruling at the time at which the policy of insurance took effect or when the loss or damage took place whichever is less, suffered by the property as a result of such loss or damage, after due allowance has been made for depreciation during the period of insurance hereunder:

Provided that the liability of the Governor General shall in no case exceed eighty per cent. of the interest of the Insured in the property affected or eighty per cent. of the sum insured hereby whichever is less.

Provided also that no liability shall attach to this policy,—

(a) for the first one thousand rupees, or twenty per cent., of any loss or damage whichever is greater;

(b) while and so long as any instalment of premium hereunder remains unpaid.

It is expressly warranted that the Insured shall at all times comply with all regulations or instructions made or issued under the authority of Government for safeguarding the property against damage from war risks.

In witness whereof, I, being duly authorised in that behalf, have hereto set my hand on behalf of the Governor General.

Dated,

The.....194 . Signature.....

SECOND SCHEDULE.

[See rule 14 (1) and the First Schedule.]

CONDITIONS.

The Governor General shall be under no liability under any policy of insurance to which these conditions apply (hereinafter referred to as "the policy") if and in so far as the Insured is not entitled to be insured for the sum thereby insured in respect of the property insured under the Ordinance.

2. If at the time of the happening of any loss or damage the sum insured by this policy shall be less than (a) the total value of the property at the time of the loss or damage or (b) the total value of the property on the date of commencement of insurance whichever is less the insured shall be considered as being his own insurer for the excess and shall bear a rateable share of the loss accordingly.

3. If at the time of the happening of any loss or damage there be any other insurance effected by or on behalf of the Insured covering any of the property suffering that loss or damage, the liability of the Governor General under the policy shall be limited to its rateable proportion of such loss or damage.

4. On the happening of any loss or damage the insured shall forthwith give notice thereof in writing to the Government Agent, and shall within fifteen days after such loss or damage, or such further time as the Government Agent may in writing allow, at his own expense deliver to the Government Agent a claim in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property suffering that loss or damage and of the amount of such loss or damage, having regard to their value on the basis of values and prices ruling on the date of commencement of the insurance or on

the date on which the damage or loss occurred whichever is less together with details of any other insurances on the property insured. The Insured shall also give to the Government Agent all such proofs and information with respect to the claim as may reasonably be required, together with (if demanded) a declaration, verified by an affidavit, of the truth of the claim and of any matters connected therewith. No claim under the policy shall be payable unless the terms of this condition have been complied with.

5. If the claim be in any respect fraudulent, or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this policy, or if any loss or damage be occasioned by the wilful act or with the connivance of the Insured, all benefits under the policy shall be forfeited.

5A. If the owner or occupier of a factory as the case may be, shall fail to comply with all regulations or instructions made or issued under the authority of Government for safeguarding the property against damage from War Risks, all benefits under the policy shall be forfeited.

6. If in his application for the insurance effected by the policy, the Insured shall have intentionally made a material mis-statement of the value of the property insured all benefits under the policy shall be forfeited.

7. If the Governor General elects to pay eighty per cent. of the cost of restoring any property insured, the Insured shall at his own expense produce and give to the Governor General all such plans, documents, books and information as the Governor General may reasonably require. The Governor General shall not be bound to pay the cost of exact or complete restoration but only of such restoration as circumstances permit and as is reasonably sufficient and shall not in any case be bound to expend in respect of the property insured more than eighty per cent. of the sum insured thereon.

7A. If the Governor General elects to pay eighty per cent. of the cost of restoring the property insured, the owner of the factory shall, if so required by the Governor General, reconstruct the factory or remove the factory to and reconstruct it in such other locality as may be specified by the Governor General. In which case the insured shall be compensated for the cost of moving and if necessary replacing such part of the property not affected by the loss or damage.

8. On the happening of any loss or damage in respect of which a claim is or may be made under the policy, the Government Agent and every person authorised by the Government Agent, may, without thereby incurring any liability, and without diminishing the right of the Governor General to rely upon any conditions of the policy, enter, take or keep possession of the building or premises where the loss or damage has happened, and may take possession of or require to be delivered to them any of the property insured, and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner. This condition shall be evidence of the leave and licence of the Insured to the Governor General so to do. If the Insured or any one acting on his behalf shall not comply with the requirements of the Governor General, or shall hinder or obstruct the Governor General or any person acting on his behalf in doing any of the above mentioned acts, then all benefits under this policy shall be forfeited. The Insured shall not in any case be entitled to abandon any property to the Governor General whether taken possession of by the Governor General or not.

9. The Insured shall at the request and expense of the Governor General do and concur in doing and permit to be done all such acts and things as may be reasonably required for the purpose of enforcing any rights and remedies to which the Governor General is or would become entitled or subrogated upon paying for or making good any damage, whether such acts and things shall be required before or after indemnification by the Governor General.

10. In the event of a transfer of interest, this policy may be assigned but such assignment shall not take effect until notice of assignment has been given to the Governor General.

11. The following conditions may be included in the policy at the request of the Insured:—

> "It is hereby agreed and declared that..... ..... being persons having an interest in the property insured, shall, to the extent of their interest in the property insured, be entitled jointly with the Insured to the rights hereby granted to the Insured, but not so as to grant to them any further or greater rights than those of the Insured under this policy".

12. The liability of the Governor General under the policy shall not exceed in the aggregate eighty per cent. of the sum thereby insured, and accordingly after the happening of any loss or damage the said sum shall be deemed to be reduced by the amount of that loss or damage, the liability of the Governor General being limited to eighty per cent. of the reduced sum.

13. The insured shall bear, in respect of each claim, the first one thousand rupees, or twenty per cent. of the claim, whichever is greater.

14. The Insured shall at all times take due precautions for the safety of the property insured having regard to the nature thereof, and in particular if at any time any property insured sustains war damage, the Insured shall take all reasonable steps to preserve the property insured from damage or further damage as the case may be.

15. The amount which the Insured may provide for depreciation and which may be entered in the annual accounts of the Insured shall not be taken as final and conclusive as against either Insurer or Insured in settling any loss which may occur.

16. The insured shall not be relieved from liability to pay subsequent instalments of premium by reason of the property having been damaged or destroyed, or by reason of the hostilities having ceased before the expiry of the period of insurance, or for any other reason whatsoever. The Governor General shall have the right to deduct from the amount of compensation payable in respect of any claim on account of loss or damage suffered by the whole or any part of the property insured a sum equal to the amount of instalments of the premium remaining unpaid on the date on which compensation is paid by the Governor General.

17. No refund of premium shall be allowed in respect of any policy issued under the Scheme, except as provided in the War Risks (Factories) Insurance Rules.

18. If any instalment of premium in respect of a policy issued under the Scheme is not paid by the date on which the instalment is due, all benefits under the policy shall be suspended, provided that if the instalment is subsequently paid the Governor General shall revive the benefits but may do so either from the date on which the original default was made or from the date on which the payment was subsequently made.

THIRD SCHEDULE

[See rule 8 (1)]

Part A

Form of Application.

Important:—Before completing this application form, read the instructions overleaf.

GOVERNMENT OF INDIA.

War Risks (Factories) Insurance Ordinance 1942.

Application for insurance of property insurable thereunder.

Applicant's Name

Address

Business

Description and Situation of Factory

Are the premises a factory as defined in Section 2(j) of the Factories Act, 1934?

If not, (a) have they been so subsequent to the 31st December 1938?

(b) and if they are in course of construction, will they be so when completed?

What is the nature of your interest in the property to be insured?

If you are the occupier of the factory within the meaning of Section 2(l) of the Factories Act, 1934 but do not own the property, the following should be answered:—

(a) Name and address of owner

(b) Have you been requested by the owner to effect this insurance on his behalf?

(c) If not, are you aware whether the owner is also applying for insurance?

Description of property to be insured

Are the Buildings, Plant and Machinery of your Factory insured against Fire Risks?

If so, state (a) Name of insurance company

(b) Totals on (i) the Buildings Rs.

(ii) the Plant and Machinery Rs.

Insurable Value.

What was the value (*i.e.*, after making allowance for depreciation) on the date of this application, of:—

(a) the Building? Rs.

(b) the Plant and Machinery? Rs.

In the case of property under construction (first application *), what is the estimated value on the last day of the Quarter/Period in which the insurance is effected, of

(a) the Building? Rs.

(b) the Plant and Machinery? Rs.

*Subsequent applications to be made on an Application Form for Supplementary Policies.

SEPARATE AMOUNTS MUST BE DECLARED AS BETWEEN (a) AND (b) BUT SEPARATE AMOUNTS NEED NOT BE DECLARED AGAINST EACH BLOCK. IN THE EVENT OF A CLAIM HOWEVER THE CLAIMANT MAY BE CALLED UPON TO SHOW IN DETAIL HOW THE VALUATION HAS BEEN MADE UP.

Has any other person any insurable interest in the property to be insured?

If so, give particulars

**Date from which insurance is to commence

To: (Here insert name of Insurance Company through whom insurance is to be effected.)

I/We warrant that the above statements and particulars are true and I/we request you to effect War Risks (Factories) Insurance on

**Here enter the 1st Aril 1942 if the application is in respect of property insurable under the Ordinance which was in existence on the 20th May 1942; otherwise enter the date on which the War Risks (Factories) Insurance Scheme became applicable to the property.

my/our behalf with the Government of India in terms of the prescribed standard policy which I/we agree to accept.

I/We further agree that this application shall be the basis of the contract between the Governor General and myself/ourselves.

I/We enclose bank draft/cheque/money order/postal order/cash value Rs.

Signature of applicant

Date

NOTE.—Cheques on out-station banks should include bank exchange.

GOVERNMENT OF INDIA.

WAR RISKS (FACTORIES) INSURANCE ORDINANCE, 1942.

Instructions.

1. The Government of India have put into operation as from 1st April, 1942 the War Risks (Factories) Insurance Scheme whereby the Government undertake to insure against War Risks the buildings, plant and machinery of factories in British India as described in paragraph 2 hereof.

It is a condition of the Scheme that the Insured shall bear the first Rs. 1,000 or 20 per cent. of each loss whichever is greater.

2. *Premises to which the Scheme applies*: For the purposes of the Scheme "factory" means any premises which are so defined in Clause (j) of Section 2 of the Factories Act, 1934 (XXV of 1934) and any premises so defined since 31st December, 1938 unless specially exempted by Government and premises in course of erection which when complete and working will be factories within the meaning of Section 2 (j). The Government may extend the Scheme to apply to certain properties of mines, gas or electricity supply undertakings.

3. *Property insurable*: The buildings, plant and machinery of the Factory.

The buildings to be insured include all the buildings comprised within the factory as defined in Section 2 (j) of the Factories Act, 1934, and other buildings (including residential buildings for staff and workmen, hospitals and welfare centres) within a radius of 2 miles of the Factory which are in the same ownership or occupation as the factory and are used for the purposes of the factory.

The term buildings includes foundations, plinths, floors, staircases, tanks, engine and boiler beds, chimneys and flues.

4. *Property not insurable*: Any property so declared by Government and premises whereof only a part is subject to the Factories Act, 1934, and that part is ancillary to the main purpose of the premises, *e.g.*, a laundry or a bakery forming part of an hotel or a furniture workshop or a printing press forming part of a departmental store.

5. *Compulsory insurance*: Before the 20th May 1942, every owner of a building, plant or machinery of a factory must take out a policy under the Scheme insuring such property against war risks with retrospective effect from the 1st April 1942. Where the owner and the occupier are different persons and the former does not insure, the responsibility shall rest on the occupier who shall effect a policy as agent of the owner. The occupier of a factory is the person who has ultimate control over the affairs of the factory.

6. *Sum for which insurance is to be effected*:

(a) in respect of property in existence on inauguration of the Scheme the actual value, *i.e.*, after making due allowance for depreciation on the date of the application.

(b) in the case of property under construction the estimated value on the last day of the Quarter or period referred to in paragraph 10 in which the insurance is effected.

(c) in other cases the actual value, *i.e.*, after making due allowance for depreciation at the date on which the scheme becomes applicable to the property.

In all cases plant and machinery must be valued as part of going concern and not at its scrap value.

7. *How to insure*: The Application Form should be completed and forwarded with a remittance for first instalment of the premium to a Government Agent.

Applications for supplementary insurance must be made on a separate form to be obtained from the Government Agent who issued the original policy.

8. *Government Agents*: The Government of India have appointed certain Insurance Companies to act as Government Agents and issue policies under the Scheme. If the property is insured against Fire with an Insurance Company it is recommended that the War Risks (Factories) Insurance should be arranged through that Company. If this is not done there may be considerable delay in obtaining cover.

9. *Period of Insurance*: All policies issued at the inauguration of the scheme will provide cover for 2 years from 1st April 1942, all policies taken out thereafter will expire on the 31st March 1944, and no policy will be issued to expire on any intermediate date.

10. *Rate of Premium*: The rate of premium is 4 per cent. for the period, and the premium is payable in eight equal instalments of ½ per cent. as under:—

Last date for payment of instalments.	*Relative Quarter or period.*
1st Instalment 20th May 1942	Period ending 31st May 1942
2nd Instalment 1st June 1942	Quarter ending 31st August 1942
3rd Instalment 1st September 1942	„ „ 30th November 1942
4th Instalment 1st December 1942	„ „ 28th February 1943
5th Instalment 1st March 1943	„ „ 31st May 1943
6th Instalment 1st June 1943	„ „ 31st August 1943
7th Instalment 1st September 1943	„ „ 30th November 1943
8th Instalment 1st December 1943	Period „ 31st March 1944

Where property becomes insurable after inauguration of the Scheme, payment of the premium shall commence with the instalment due for the quarter or period during which insurance becomes compulsory.

11. The Ordinance prescribes heavy fines for failure to insure or failure to pay any instalment of the premium by due date.

12. Full conditions to which the policy will be subject have been published in the Gazette.

NOTE: Transfer of Interest:—
Policies may be assigned and a Special Form for use in that event is obtainable from your Government Agent.

PART B.

FORM OF APPLICATION FOR A SUPPLEMENTARY POLICY.

GOVERNMENT OF INDIA.

War Risks (Factories) Insurance Ordinance, 1942.

Application for supplementary insurance.

Applicant's Name

Address

Description and situation of Factory

Name of Government Agent who issued the original policy

Number of the original policy

Amounts insured by the original policy on (a) the Buildings Rs.

(b) the Plant and Machinery Rs.

Total Rs.

Description of the property to be insured

Additional amounts for which insurance is now to be effected on

(a) the Buildings Rs.

(b) the Plant and Machinery Rs.

Total Rs.

Reasons for making this application

Has any other person any insurable interest in the property to be insured?

If so, give particulars

Date from which insurance is to commence

To: (Here insert name of Insurance Company through whom insurance is to be effected.)

I/We warrant that the above statements and particulars are true and I/we request you to effect War Risks (Factories) Insurance on my/our behalf with the Government of India in terms of the prescribed standard policy which I/we agree to accept.

I/We further agree that this application shall be the basis of the contract between the Governor General and myself/ourselves.

I/We enclose bank draft/cheque/money order/postal order/cash value Rs.

Signature of applicant

Date

NOTE:—Cheques on out-station banks should include bank exchange.

APPENDIX.

Form 1.

Transfer of Policy from owner to owner.

WAR RISKS (FACTORIES) INSURANCE ORDINANCE, 1942.

Notice of assignment to be completed in triplicate and sent for registration to the Government Agent who issued the Policy.

Building . Rs.——————

Policy No. .....

Machinery/Plant . Rs.——————

Total . Rs.——————

Description and situation of Factory.

I/We do hereby assign all my/our right title and interest in the above mentioned policy and all benefits thereunder to

Dated this day of

19

(Signature of Assignor).

I/We Assignee / Assignees

in

accepting the above assignment agree that the application form referred to in the policy as forming the basis thereof shall continue to form the basis of the policy and further I/we agree to pay such future instalments of premiums under the policy as may fall due.

(Signature of assignee)

Registered in the Office books of the at (Bombay)

this day of

Government Agents

(Signature of Government Agents)

NOTE.—In registering the assignment the Governor General is not to be understood to express any opinion as to the validity or otherwise of the Deed or Deeds of which he receives notice.

The original of this form is to be returned to the Assignee.

The duplicate of this form is to be returned to the Special Officer concerned.

The triplicate of this form is to be retained by the Government Agent.

Form 2.

Change of "Occupier"

WAR RISKS (FACTORIES) INSURANCE ORDINANCE, 1942.

Notice of change of Occupier to be completed in triplicate and sent for registration to the Government Agent who issued the Policy.

Building . Rs.——————

Policy No. .....

Machinery/Plant . Rs.——————

Total . Rs.——————

Description and Situation of Factory

Name and Address of Owner

I/We do hereby assign all our right to act as Agent of the Owner in the matter of maintaining the above policy in force, to the new Occupier namely.

Dated this day of 19

Witness to signature of

(Signature of Occupier).

I/We being the new Occupier/Occupiers in accepting the above assignment agree that the application form referred to in the policy as forming the basis thereof shall continue to form the basis of the Policy and further I/We agree to pay such future instalments of premiums under the policy as may fall due.

(Signature of new Occupier).

Registered in the office books of the.

at Bombay

this day of 19

Government Agents.

Signature of Government Agent.

NOTE.—In registering the assignment the Governor General is not to be understood to express any opinion as to the validity or otherwise of the Deed or Deeds of which he receives notice. After registration the original of this form must be sent to the new Occupier, the duplicate to the Special Officer concerned and the triplicate retained by the Government Agent.

Form 3.

Receipt No.

GOVERNMENT OF INDIA.

WAR RISKS (FACTORIES) INSURANCE ORDINANCE, 1942.

Receipt for instalment of premium.

RECEIVED FROM
the sum of Rs.
being the instalment of premium due under Policy No. dated for the quarter/period ending
194 .

Rs.

Dated

The 194 .

Government Agent.

No. 3-W. R. I. (F)/42.—In exercise of the powers conferred by sub-section (*1*) of Section 3 of the War Risks (Factories) Insurance Ordinance, 1942 (No. XII of 1942), the Central Government is pleased to direct that the War Risks (Factories) Insurance Scheme shall come into operation with effect from the 20th May 1942.

No. 4-W. R. I. (F)/42.—It is hereby notified for general information that in pursuance of Section 4 of the War Risks (Factories) Insurance Ordinance, 1942 (No. XII of 1942), the Central Government has been pleased to employ as its agents for the purposes of the said Ordinance all the firms which are for the time being employed by the Central Government as its agents for the purposes of the War Risks (Goods) Ordinance, 1940 (No. IX of 1940).

No. 5-W. R. I. (F)/42.—In pursuance of sub-section (*1*) of Section 5 of the War Risks (Factories) Insurance Ordinance, 1942 (No. XII of 1942), the Central Government is pleased to specify the 20th day of May 1942, as the date for the purposes of the said sub-section.

No. 6-W. R. I. (F)/42.—In pursuance of sub-section (*3*) of Section 175 of the Government of India Act, 1935, the Governor General-in-Council is pleased to authorise:—

(i) the Principal Officers in British India of all firms which are for the time being employed under Section 4 of the War Risks (Factories) Insurance Ordinance, 1942 (No. XII of 1942) as agents of the Central Government for the purposes of the said Ordinance, and

(ii) all other persons in British India who by virtue of a general or special power of attorney are competent to execute contracts on behalf of any of the said firms,

to execute on behalf of the Governor General in-Council any contracts or other documents to the purposes of the said Ordinance.

GIPD—L 68 CD—7-5-42—550.

No. 7-W. R. I. (F)/42.—In exercise of the powers conferred by section 9 of the Indian Stamp Act, 1899 (II of 1899), the Central Government is pleased to exempt from stamp duty policies of insurance of property against War risks issued in accordance with the War Risks (Factories) Insurance Scheme established under the War Risks (Factories) Insurance Ordinance, 1942 (No. XII of 1942).

A. H. LLOYD,
Secy. to the Govt. of India.

No. 45-W. R. I. (1)/42.

Copy forwarded to :—

The Secretary to the Financial Commissioner, Burma.

All Provincial Governments.

All Chief Commissioners.

All Departments of the Government of India (including the Military Finance, Defence Co-ordination and the Supply Department) and the Political Department.

The Central Board of Revenue.

The Private Secretary to H. E. the Viceroy; Secretary to the Governor-General's Executive Council.

The D. G., C. I. and S., Calcutta.

The Bombay Insurance Associations, 6, Rampart Row, Bombay.

The Indian Insurance Companies Association, 102-A, Clive Street, Calcutta.

The Madras Fire Insurance Association, 2—6, Second Line Beach, Madras.

The Calcutta Insurance Association, Royal Exchange, Calcutta.

The Indian Insurance Companies Association, Industrial Assurance Buildings, Church Gate, Bombay.

The Secretary, Economic Resources Board.

The Economic Adviser to the Government of India.

The High Commissioner for India, Trade Department, London.

The Indian Government Trade Commissioners, Mombasa, New York, Alexandria, Sydney and Toronto.

The Indian Trade Agent, Kabul.

The Canadian Government Trade Commissioner, Calcutta.

The American Consulate General, Calcutta.

The Royal Consulate General of Egypt, Bombay.

The Netherlands Consul-General, Simla.

His Majesty's Trade Commissioners in India, Calcutta and Bombay.

The Chief Censor.

The Director, Federation of British Industries, London.

The Federation of Indian Chambers of Commerce and Industry.

The Associated Chambers of Commerce of India.

All recognised Chambers of Commerce and Associations in India.

The East India Cotton Association, Ltd.

Deputy Controller, Reserve Bank of India, Bombay.

The Special Officers, War Risks Insurance.

The Auditor General of India.

The Accountants General, Bombay Madras, Bengal and Central Revenues.

The Secretary, Economic and Overseas Department, India Office, Whitehall, London.

The Colonial Secretary, Straits Settlements, Singapore.

The Deputy Commissioner, Civil Defence Rangoon, Burma.

The Secretary, War Risks Insurance Advisory Committee, 6, Rampart Row, Fort, Bombay.

By order, etc.,

N. N. WANCHOO,

Offg. Secy. to the Govt. of India.

DEPARTMENT OF COMMERCE

NOTIFICATION

WAR RISKS INSURANCE

New Delhi, the 9th May 1942

No. 8-W.R.I (F)/42.—In pursuance of sub-rule (2) of rule 14 of the War Risks (Factories) Insurance Rules, 1942, the Central Government is pleased to issue the following list of Recognised Loss Assessors:—

List of Recognised Loss Assessors.

1. Mr. C. P. Mehta, Fire Loss Assessor, Lalgir Chamber, Tamarind Lane, Fort, Bombay.

2. Mr. Padamsey Premchand Shah, B.A., Rustom Building, 29, Churchgate Street, Bombay.

3. Messrs. Merwanji Bana and Company, Cama House, No. 24, Dalal Street, Fort, Bombay.

4. Messrs. Gannon Dunkerley and Company Limited, Chartered Bank Building, Esplanade Road, Bombay.

5. Mr. S. Sunder, c/o Messrs. Brigg Brothers and Company, Podar Chambers, Parsee Bazaar Street, Bombay.

6. Messrs. Master Sathe and Bhuta, Architects and Surveyors, 34-38, Hummum Street, Bombay.

7. Messrs. Ericson and Richards, 32, Nicol Road, Ballard Estate, Bombay and Karachi.

8. Mr. M. P. Goshai, General Assurance Building, 3rd Floor, Hornby Road, Fort, Bombay.

9. Messrs. Metcalfe and Hodgkinson, Marine Surveyors, Mackinnon Mackenzie and Company's Building, Ballard Road, Bombay.

10. Messrs. Shapoorjee N. Chandabhoy and Company, "Advani Chambers", Sir Pherozeshaw Mehta Road, Fort, Bombay.

11. Mr. R. B. Fairclough, M.C., Messrs. Anglo-Thai Corporation Limited, McLeod Road, Karachi.

12. Messrs. Simon and Company, Surveyors, Commissariat Building, Hornby Road, Bombay.

13. Mr. A. W. Puttick, M.C., J.P., of B. E. S. T. Dhun Mahal, Garden Road, Apollo Bunder, Bombay.

14. Messrs. D. H. Daruvala and Company, Architects, Mercantile Chambers, Bunder Road, Karachi.

15. Messrs. Contractor Kanga and Company, Junction of Medows Street and Military Square Lane, Fort, Bombay.

16. Messrs. Gregson, Batley and King, Chartered Architects, Chartered Bank Building, Esplanade Road, Fort, Bombay.

17. Mr. Jehangir C. Shroff, B.E. (Bom.), B.Sc. (Hons. Lond.), D.K.C., A.M.I.E., Structural Engineer, R. C. C. Specialist, Prospect Chambers Annexe, Hornby Road, Bombay.

18. Mr. K. H. McCormack of Jamnadas Ruttonsey and Company, Bell and Company's Building, Sir Phirozshaw Mehta Road, Fort, Bombay.

19. Messrs. F. E. Hardcastle and Company, Limited, Alice Building, Hornby Road, Bombay.

20. F. G. Russell, Esquire, Bombay House, Bruce Street, Bombay.

21. H. V. Pointon, Esquire, Asea Electric Limited, Feltham House, Graham Road, Ballard Estate, Bombay.

22. Messrs. Greaves Cotton and Company, (Specialists for Textile Machinery), 1, Forbes Street, Bombay.

23. Messrs. Mather and Platt (Specialists for Machinery), Hamilton House, Graham Road, Ballard Estate, Bombay.

24. Messrs. Tweedales and Smalley (Specialists for Machinery), United India Life Building, Sir Pherozshah Mehta Road, Fort, Bombay.

25. Messrs. Sinclair Murray and Company Limited, Calcutta.

26. Messrs. Landale and Clark Limited, Calcutta.

27. Messrs. Norman Stewart and Company, Calcutta.

28. Messrs. Hukumchand, Lahore.

29. Messrs. Laurels Limited, Lahore.

30. Captain E. T. O'Sullivan, Lahore.

31. Rai Saheb Dina Nath Khanna, Peshawar.

32. Messrs. Landale and Clark Limited.

33. B. Brentford, F.R.L.B.A., Lahore.

34. C. R. E. Wood and Company, Lahore.

35. The British India Corporation Limited, Cawnpore.

36. Begg Sutherland and Company, Limited, Cawnpore.

37. N. K. Bhartiya and Sons, Civil Lines, Cawnpore.

38. J. N. Marsh, Esquire, The English and Scottish Joint Co-operative Wholesale Society Limited, Calicut.

39. Messrs. Gill and Company, Karachi.

40. A. and F. Harvey, Tuticorin.

A. H. LLOYD,
Secy. to the Govt. of India.

No. 8-W. R. I./42.

Copy forwarded to—

The Secretary to the Financial Commissioner, Burma.

All Provincial Governments.

All Chief Commissioners.

All Departments of the Government of India (including the Military Finance, Defence Co-ordination and the Supply Department) and the Political Department.

The Central Board of Revenue.

The Private Secretary to H. E. the Viceroy; Secretary to the Governor-General's Executive Council.

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The Indian Trade Agent, Kabul.

The Canadian Government Trade Commissioner, Calcutta.

The American Consulate General, Calcutta.

The Consul-General for the U. S. A., Calcutta.

The Royal Consulate General of Egypt, Bombay.

The Netherlands Consul-General, Simla.

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The Special Officers, War Risks Insurance.

The Auditor General of India.

The Accountants General, Bombay, Madras, Bengal and Central Revenues.

The Secretary, Economic and Overseas Department, India Office, Whitehall, London.

The Colonial Secretary, Straits Settlements, Singapore.

The Deputy Commissioner, Civil Defence, Rangoon, Burma.

The Secretary, War Risks Insurance Advisory Committee, 6, Rampart Row, Fort, Bombay.

By order, etc.,

B. N. BANERJI,
for *Addl. Dy. Secy. to the Govt. of India.*

GIPD—L89CD—15-5-42—800.

DEPARTMENT OF COMMERCE

NOTIFICATIONS

WAR RISKS INSURANCE

New Delhi, the 13th May 1942

No. 9-W.R.I. (F)/42.—In exercise of powers conferred by section 15 of the War Risks (Factories) Insurance Ordinance (No. XII of 1942), the Central Government is pleased to direct that the following amendment shall be made in the Notification of the Government of India in the Department of Commerce No. 2-W. R. I. (F)/42, dated the 2nd May 1942, namely:—

For the figures, letters and words "20th May 1942" wherever they appear in that notification or the schedules appertaining thereto, the figures, letters and words "29th May 1942" shall be substituted.

No. 10-W.R.I. (F)/42.—In exercise of powers conferred by sub-section (*1*) of section 3 of the War Risks Insurance Ordinance (No. XII of 1942), the Central Government is pleased to direct that the following amendment shall be made in the Notification of the Government of India in the Department of Commerce No. 3-W.R.I. (F)/42, dated the 2nd May 1942, namely:—

For the figures, letters and words "20th May 1942" the figures, letters and words "29th May 1942" shall be substituted.

No. 11-W.R.I. (F)/42.—In exercise of powers conferred by sub-section (*1*) of section 5 of the War Risks (Factories) Insurance Ordinance (No. XII of 1942), the Central Government is pleased to direct that the following amendment shall be made in the Notification of the Government of India in the Department of Commerce No. 5-W.R.I. (F)/42, dated the 2nd May 1942, namely:—

For the figures, letters and words "20th May 942" the figures, letters and words "29th May 1942" shall be substituted.

A. H. LLOYD,
Secy. to the Govt. of India.

No. 45-W. R. I. (1)/42.

Copy forwarded to—

All Provincial Governments.
All Chief Commissioners.
All Departments of the Government of India (including the Military Finance, Defence Co-ordination and the Supply Department) and the Political Department.
The Central Board of Revenue.
The Private Secretary to H. E. the Viceroy; Secretary to the Governor-General's Executive Council.
The D. G., C. I. and S., Calcutta.
The Bombay Insurance Associations, 6, Rampart Row, Bombay.
The Indian Insurance Companies Association, 102-A, Clive Street, Calcutta.
The Madras Fire Insurance Association, 2—6, Second Line Beach, Madras.
The Calcutta Insurance Association, Royal Exchange, Calcutta.
The Indian Insurance Companies Association, Industrial Assurance Buildings, Church Gate, Bombay.
The Secretary, Economic Resources Board.
The Economic Adviser to the Government of India.
The High Commissioner for India, Trade Department, London.
The Indian Government Trade Commissioners, Mombasa, New York, Alexandria, and Toronto.
The Indian Trade Agent, Kabul.
The Canadian Government Trade Commissioner, Calcutta.
The American Consulate General, Calcutta.
The Consul-General for the U. S. A., Calcutta.
The Royal Consulate General of Egypt, Bombay.
The Netherlands Consul-General, Simla.
His Majesty's Trade Commissioners in India, Calcutta and Bombay.
The Chief Censor.
The Director, Federation of British Industries, London.
The Federation of Indian Chambers of Commerce and Industry.
The Associated Chambers of Commerce of India.
All recognised Chambers of Commerce and Associations in India.
The East India Cotton Association, Ltd.
The Deputy Controller, Reserve Bank of India, Bombay.
The Special Officers, War Risks, Insurance.
The Auditor General of India.
The Accountants General, Bombay, Madras, Bengal and Central Revenues.
The Secretary, Economic and Overseas Department, India Office, Whitehall, London.
The Secretary, War Risks Insurance Advisory Committee, 6, Rampart Row, Fort, Bombay.

By order, etc.,
B. N. BANERJI,
for *Addl. Dy. Secy. to the Govt. of India.*

GIPD—L91CD—18-5-42—800.

NOTIFICATION

Order No. Rl. 730—*Legis.* 47-42-1, *dated Bangalore, the* 18—19*th January* 1943.

Ordered that the accompanying War Risks (Factories) Insurance Act, 1943, which received the assent of His Highness the Maharaja, on the 7th day of January 1943, be published as Act VI of 1943, in the *Mysore Gazette*, for general information.

C. NARAYANASWAMY NAIDU,
Secretary to Government,
Law Department.

ACT VI OF 1943.

THE WAR RISKS (FACTORIES) INSURANCE ACT, 1943.

An Act to provide for the Insurance of certain Property in Mysore against War Risks.

Received the assent of His Highness the Maharaja on the seventh day of January 1943.)

Whereas it is expedient to provide for the insurance of certain property in Mysore against war risks; It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the War Risks (Factories) Insurance Act, 1943.

(2) It extends to the whole of Mysore.

(3) It shall come into force at once.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "buildings" includes foundations, plinths, floors, staircases, tanks, engine and boiler beds and flues;

(*b*) "factory" means any premises including the precincts thereof whereon twenty or more workers are working, or were working on any day in the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, but does not include a mine subject to the operation of the Mysore Mines Act, 1906, and includes any premises including the precincts thereof which, having at any time after the 31st day of December 1938, been a factory, have not been exempted under section 11 from the provisions of section 5 of this Act;

(*c*) " factory buildings " includes all buildings comprised in the factory, and such other buildings (including residential buildings for staff and workmen, hospitals and welfare centres) within a radius of two miles from the main factory building as are in the same ownership or occupation as the factory and are used for the purposes of the factory ;

(*d*) " insurable value " of property means the value of the property as ascertained for the purposes of insurance under this Act ;

(*e*) " occupier " of a factory has the meaning assigned to the word in clause (*l*) of section 2 of the Mysore Factories Act, 1936 ;

(*f*) " owner " of a factory includes, when parts of the property insurable under this Act in relation to the factory are owned by different persons, each such person in respect of the part owned by him ;

(*g*) " prescribed " means prescribed by rules made under this Act ;

(*h*) " property insurable under this Act " means, in relation to any factory, the factory buildings, all plant and machinery in the factory, and such other plant and machinery as may be prescribed ;

(*i*) " war risks " means such risks arising from—

(i) action taken by an enemy or action taken in combating an enemy or in repelling an imagined attack by an enemy,

(ii) measures taken under proper authority to avoid the spreading of, or otherwise to mitigate, the consequences of damage occurring (whether accidentally or not) as the direct result of any such action as aforesaid,

(iii) precautionary or preparatory measures taken under proper authority with a view to preventing or hindering the carrying out of any attack by an enemy, being measures involving risk to property,

(iv) precautionary or preparatory measures involving the doing of work on land and taken under proper authority in any way in anticipation of enemy action, being measures involving risk to property,

(v) precautionary or preparatory measures taken under proper authority with a view to denying facilities to an enemy, being

measures involving damage to or diminution of the value of property,

as may be prescribed.

Application of the War Risks Factories Insurance Scheme of the Government of India to Mysore.

3. The War Risks (Factories) Insurance Scheme operated by the Government of India under that Government's War Risks (Factories) Insurance Ordinance, 1942, shall have effect in Mysore as fully and completely as if it had been put into operation under a law in force in Mysore.

Employment of agents by the Government.

4. The Government may employ or authorize the employment of any person or firm to act as its agents for any of the purposes of this Act, and may pay to persons or firms so employed such remuneration as the Government thinks fit.

Compulsory Insurance.

5. (1) Every owner of a factory, except a factory belonging to the Government or a factory exempted under section 11 from the provisions of this Act, shall, by such date as may be specified in this behalf by the Government, by notification in the official Gazette, take out a policy of insurance against war risks issued in accordance with the War Risks (Factories) Insurance Scheme operated by the Government of India, whereby he is insured in respect of all property insurable under this Act, which appertains to the factory for a sum not less than the insurable value of such property:

Provided that, where the owner of the factory is not himself the occupier of the factory, the occupier of the factory shall, unless the owner has already taken out a policy of insurance as required by this sub-section, himself take out the policy, and in such a case the occupier shall be deemed to act as the agent of the owner and shall be entitled to receive from the owner all sums paid as premiums on the policy.

(2) The obligation imposed by sub-section (1) includes, when the owner of the factory is required by the Government to reconstruct a factory which has suffered damage, an obligation to take out an additional policy of insurance as required by the sub-section in respect of the reconstructed factory.

(3) When a factory in respect of which a policy of insurance against war risks has been taken out as required by this section is transferred from one owner to another, or there is a change of occupier of the factory, the policy may be transferred to the new owner or occupier, and such new owner or occupier shall succeed to all rights and

liabilities under and in relation to the policy as if the policy had been in the first instance taken out by him.

(4) Whoever contravenes the provisions of sub-section (1) or the proviso thereto, or, having taken out a policy of insurance as required by that sub-section fails to pay any instalment of premium thereon which is subseq uently due, shall be punishable with fine which may extend to two thousand rupees and with a further fine which may extend to one thousand rupees for every day after the first on which the contravention or failure continues.

Power of Government to obtain information.

6. (1) Any person authorized in this behalf by the Government may, for the purpose of ascertaining whether or not the owner or occupier of a factory has taken out a policy of insurance as required by this Act in respect of all property insurable under this Act which appertains to the factory, or for the purpose of investigating the insurable value of such property, or for the purpose of estimating the damage suffered by such property,—

(*a*) require the owner or occupier of a factory to submit to him such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary, or

(*b*) at any reasonable time enter any premises or upon any property appertaining to a factory, inspect such premises or property, and require any person found therein or thereon, whom he believes to be in possession of information relevant to his investigation, to furnish to him such information as he may reasonably think necessary.

(2) Whoever wilfully obstructs any person in the exercise of his powers under this section or fails without reasonable excuse to comply with any request made thereunder shall, in respect of each occasion on which any such obstruction or failure takes place, be punishable with fine which may extend to one thousand rupees.

(3) Whoever, in purporting to comply with his obligations under this section, knowingly or recklessly makes a statement false in a material particular, shall be punishable with fine which may extend to one thousand rupees.

Recovery of arrears of premium instalments.

7. Any instalment of premium due on a policy of insurance issued under the scheme may be recovered as an arrear of land revenue.

Limitation of prosecutions.

8. No prosecution for any offence punishable under this Act shall be instituted against any person except by or with the consent of the Government or an authority authorized in this behalf by the Government.

Composition of offences.

9. Any offence punishable under sub-section (4) of section 5 may, either before or after the institution of the prosecution, be compounded by the Government, or by any authority authorized in this behalf by the Government, on payment for credit to the War Risks (Factories) Insurance Fund constituted by the Government of India of such sum as the Government or such authority, as the case may be, thinks fit.

Bar of legal proceedings.

10. No suit, prosecutions or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

Power to exempt factories.

11. The Government may, by notification in the official Gazette, exempt any factory or any description of factories or any premises including the precincts thereof which have at any time after the 31st day of December, 1938, been a factory, from the provisions of section 5 and may by order declare that any factory or any description of factories so exempted may, if the owner so wishes, be insured under the War Risks (Factories) Insurance Scheme operated by the Government of India.

Power to make rules.

12. (1) The Government may, by notification in the official Gazette, make rules to carry into effect the provisions of this Act.

(2) Subject to any other rules or modifications that may be made in exercise of the powers under sub-section (1) of this section, the rules for the time being in force under the Government of India's War Risks (Factories) Insurance Ordinance, 1942, shall *mutatis mutandis* be deemed to be the rules for the purposes of this Act in Mysore and further, all persons authorized by the Government of India under their War Risks (Factories) Insurance Ordinance, 1942, and the rules framed thereunder for any of the purposes of that ordinance shall be deemed to be authorized under this Act for corresponding purposes.

Repeal and savings.

13. The War Risks (Factories) Insurance Emergency Act, 1942 (Act XXXIV of 1942), is hereby, repealed. But any rules made, anything done and any action taken in exercise of any power conferred by or under the said Emergency Act shall be deemed to have

been made, done or taken, in exercise of powers conferred by or under this Act, as if this Act had commenced on the 3rd day of August 1942.

N. MADHAVA RAU,

Dewan.

Price: 0-0-6

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